

ILLINOIS AGENTS NUMBER

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, NOVEMBER 12, 1931

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THE Illinois National Casualty has specialized exclusively in automobile insurance. Our most popular policy is our full coverage written in a single contract and sold at independent rates.

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Illinois agents will find our service is second to none. Our Home Office in Chicago and Branch Office in Springfield are completely equipped to handle all business placed by Illinois agents expeditiously and promptly.

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The Messenger makes no claim to magic, has no cure-all for business ills. Its pages describe new lines of insurance and interpret the old with a notable lack of technical cant. Tried and tested sales letters and selling plans are presented to Ætna Fire Group agents for their use. The Messenger's sole purpose is to help the agent, and from all indications the magazine seems to be doing just that. A sample copy? Certainly. Write the publicity department of the Ætna Fire Group at Hartford.

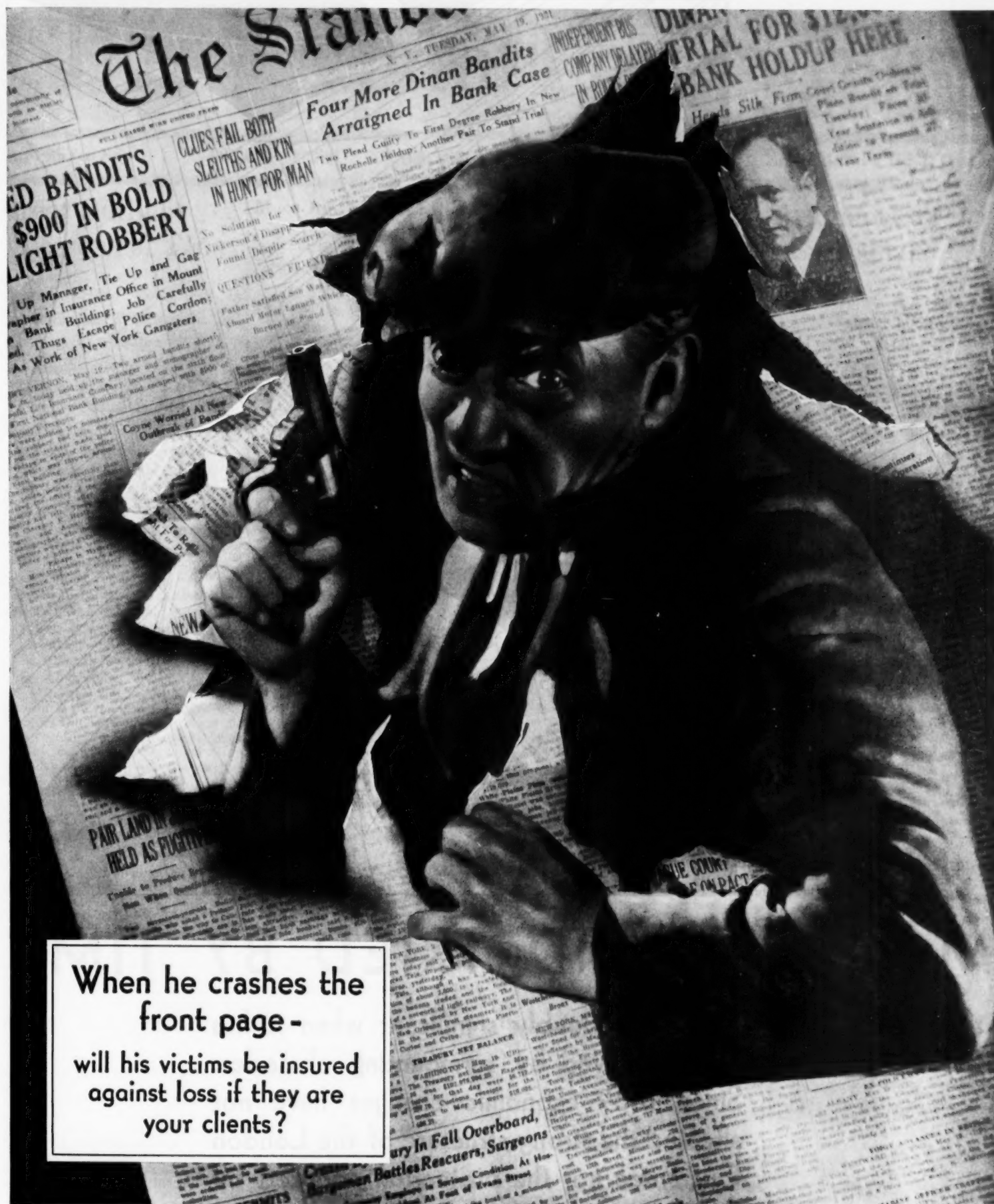
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**When he crashes the front page -
will his victims be insured
against loss if they are
your clients?**

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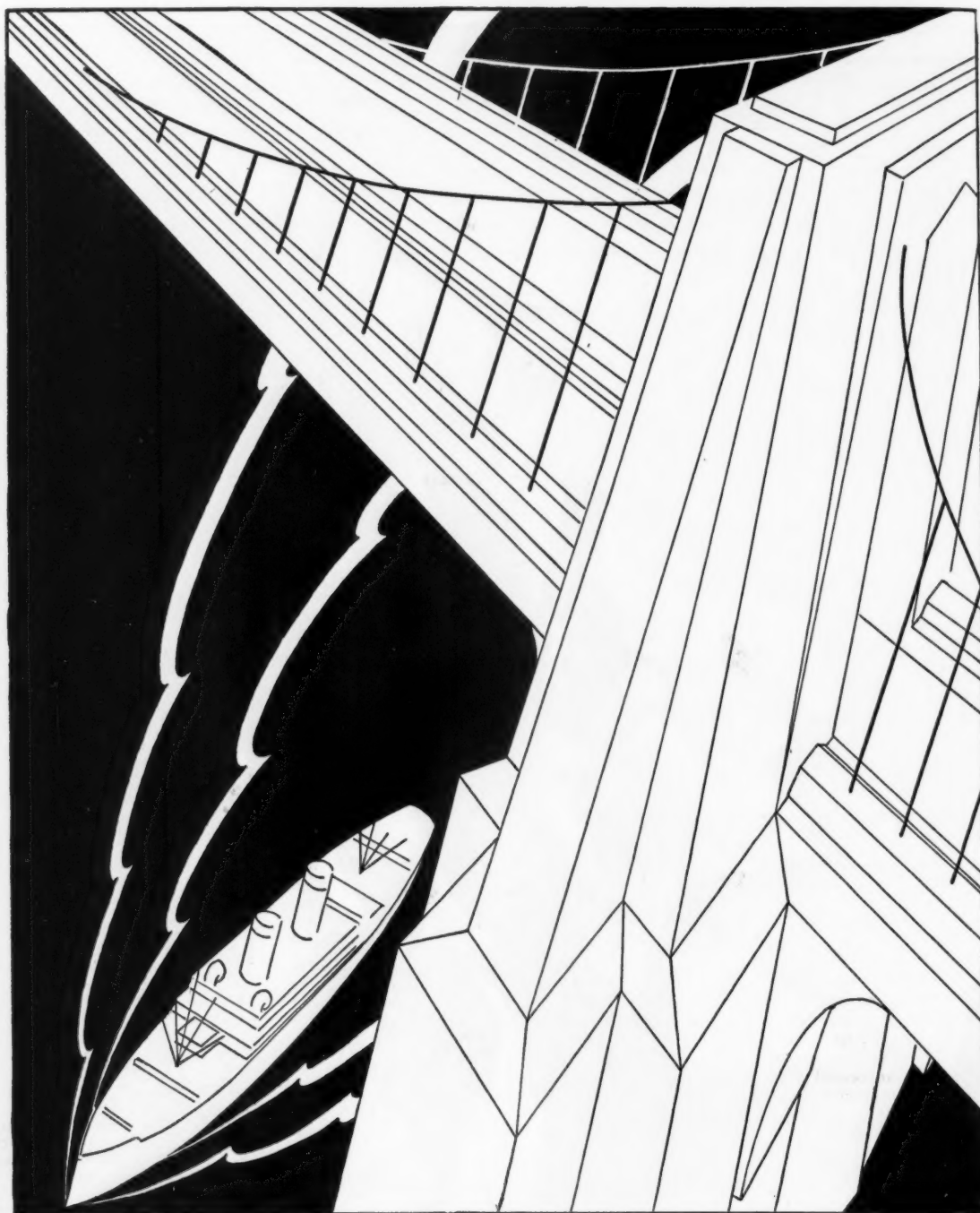
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The National Underwriter

Thirty-Fifth Year No. 46

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, NOVEMBER 12, 1931

\$4.00 Per Year, 20 Cents a Copy

Street Outlines Lessons of Today

Expresses Hope Companies in
Difficulties Will Not Be
Perpetuated

IN KNOXVILLE ADDRESS

Definite Agency Contract, Better Pub-
licity, Improvement in Adjust-
ments Needed, He Says

The address of Charles R. Street, vice-president and western manager of the Great American, before the annual meeting of the Tennessee Association of Insurance Agents at Knoxville, was highly constructive, containing a number of particular recommendations as well as being a statement of principle.

After reviewing the demoralization that was brought about by the multiplication of companies during the boom days, Mr. Street expressed the hope that plants of those companies which are in difficulties will be permitted to go on the auction block or into the bankruptcy court instead of being taken over as an additional member of "some respectable fleet."

Mr. Street advocated "a modest flat rate of compensation with a contingent, which will in its operation eliminate the indifferent and reward the worthy."

Urges Agency Contract

He renewed his advocacy of a definite contract between companies and agents, defining the rights and duties of each party, covering the ownership of expirations and making collections trust funds while in the hands of the agents. Much confusion, he pointed out, has been created by court decisions as to the status of ownership of expirations and their proper place in the estate of a bankrupt. Under no circumstances, Mr. Street said, should the uncollected premiums properly be used for the benefit of other creditors.

Better publicity for the fire insurance business is desirable, Mr. Street declared. This publicity, he said, should be directed at the instruction of the public as to the real nature of the business. Misunderstanding by the public of the real functions of fire insurance companies, he pointed out, brings about unintelligent and unfair legislation, burdensome taxation and prejudice which it is costly to combat.

Mr. Street said that insurance executives have been too modest, shunning widespread publicity. He mentioned, without referring by name, to the success of the James S. Kemper organization in getting daily newspaper publicity. Mr. Kemper and his organization have the facility of getting personal publicity and publicity for their company. Mr. Street said that fire insurance would benefit from the work of a good press agent, who would get mention and rec-

Much Interest in All-Risk Automobile Discussions

OPINION SHARPLY DIVIDED

Proposal Up to Make Actual Value
Mandatory—May Lump Fire,
Theft Coverage

The insurance world is expressing much interest in the deliberations of the National Automobile Underwriters Association in session Thursday of this week for discussion, primarily, of an all-risk automobile policy.

There is a great difference of opinion as to the virtue of a comprehensive automobile policy, but even many of its opponents believe that the coverage must inevitably be introduced some time. Officials of that opinion believe that the premium for the comprehensive contract would be so considerable that there would be serious selection against the companies if the coverage was introduced in these hard times.

Incidental Changes Up

If the National Automobile Underwriters Association does not approve the comprehensive contract at this time nor indicate that it soon will be offered, it is not unlikely that changes incidental to a comprehensive contract will be seriously considered.

One proposal that will be taken up is to make the actual value policy mandatory, thus eliminating the stated amount form. It is pointed out that the comprehensive policy would have to be on the actual value basis and if the change were made at this time, it would be in the nature of a preliminary to the all-risk form.

Another proposal is to abolish the separate classifications in the manual and in the policies for fire and theft. At present automobile fire insurance may be purchased without theft and there is a demand for that coverage, especially in the rural districts. Theft, however, cannot be purchased without fire. This change, advocates believe, would also be preparatory to a comprehensive contract.

ognition of fire insurance activities into daily newspaper circulation.

Mr. Street dwelt on the adjustment situation. He condemned the careless and indifferent work which means dispensing excessive amounts for which the company is neither legally nor morally liable. Mr. Street commended to the agents company adjustment facilities. He said that there are many good independent adjusters, but "that does not mean that the 'good fellow' who falls down in the road or cannot secure company employment is competent to handle losses for your companies when he was not entrusted with them by his own while in regular employment."

He spoke of the Insurance Executives Association, saying that it will not be a legislative body "but necessarily will control in matters of imperial policy." He said he has hope that the association will help in the coordination of underwriting practices and bring out what is best in each jurisdiction to apply in all. He hopes that it will do away

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Finis Is Written at the End of a Glorious Chapter

TO HOLD NO MORE MEETINGS

Fire Underwriters Association of the
Northwest Will Be Perpetuated
Through Life Members

President J. F. Stafford of the Fire Underwriters Association of the Northwest in a letter to the Life Members Society this week announced officially that the parent organization had adjourned sine die. He said:

"Despite the holding of various meetings of our committee in the endeavor to devise some plan whereby the Fire Underwriters Association of the Northwest might continue to function as an honored and useful adjunct of the fire insurance business, each plan, after most thorough consideration, has been discarded as being impracticable. The unwelcome conclusion has been reached that meetings such as were held for many, many years by our beloved association are not of the order of fire insurance business as it is conducted today.

All Will Become Life Members

"Notwithstanding the sentimental feeling that attaches to the old association by those members who are now high in command of the destinies of our companies, the present conditions of the times and the outlook for the future, both from a monetary standpoint and from the standpoint of the possible future usefulness of the association through a continuance of the old order of things, makes it quite apparent that the most advisable thing for us to do in an endeavor to perpetuate the association, even though it may be in name only, was not to disband the Fire Underwriters Association of the Northwest, but to adjourn sine die, retaining the same officers and the same committeemen and thus allow our organization to remain status quo pending the time when, as the year rolls on, its present members will one by one become eligible and pass into the Society of Life Members of the Fire Underwriters Association of the Northwest.

"This decision having been arrived at only after many meetings, not only of the members of our association, but of those high in authority in our business, though not members of our asso-

(CONTINUED ON PAGE 25)

Illinois Association Meeting Fully Reported

The Illinois Association of Insurance Agents held its annual meeting in Peoria last week. The details of the convention are fully reported in a special insert on pages 26 to 37 of this issue. C. M. Cartwright covered the meeting for The National Underwriter.

Argument on Over Earthquake Cover

Large Liability in Fault Areas Is
Subject of Much
Concern

CHANGES MAY CLARIFY

Reported, However, That Some Californians Signed Pacific Board Pact
With Misgivings

SAN FRANCISCO, Nov. 11.—While many company executives, and most of the Pacific board brokers of this city feel that changes in rates and forms to be used in writing earthquake insurance will clarify the atmosphere so far as that type of coverage is concerned, there are others who still have their doubts and who probably signed the proposed changes with some misgivings.

There has been a conflict of opinion on earthquake insurance in California for several years; some companies were positively opposed to writing any more of it under any conditions and home offices were largely responsible for the drastic increase in rates made a few years ago which, according to general agents and others, forced the business into non-affiliated companies.

Opposition Again Appears

Therefore the same opposition appears again as the companies are becoming acquainted with the proposed changes, which make sweeping reductions and do away entirely with the separate earthquake insurance policy.

It might be said that there are two earthquake insurance "schools" in San Francisco. One group looks at the problem as threatening the stability of companies in the event of a major disaster; the other group belittles this viewpoint, pointing out that if all risks in San Francisco in 1906 had been covered by earthquake insurance and there had been no fire, the loss would have been but a small part of that which actually resulted.

Serious Hazard Theory

Using this argument, these men state that the companies should not fear large liability on earthquake lines; that even in the face of a disaster as strong as that of 1906 the earthquake losses would be comparatively small. On the other hand the opposing group says that millions of dollars of liability in the earthquake fault areas of California put a real sword of Damocles over the companies which could threaten their entire financial structure in event of a serious temblor.

In California the large cities of San Francisco and Los Angeles, Santa Barbara, Santa Rosa, Palo Alto, possibly Oakland and one or two other smaller spots, are the places usually described as the centers where the most damage would result. However, an earthquake

(CONTINUED ON PAGE 42)

General Agents Win Income Tax Victory, Stebbins Says

RAISE "EARNED" ALLOWANCE

Increased from \$5,000 to \$30,000 Under New Ruling of Internal Revenue Bureau

The endeavors of Herbert Cobb Stebbins of Denver to obtain from the internal revenue department a ruling to the effect that \$30,000 of the revenue of a bona fide supervising general agent is earned income have culminated successfully. Heretofore only \$5,000 of a general agent's revenue could be counted as earned income.

Mr. Stebbins started the agitation while he was president of the American Association of Insurance General Agents. He now advises the membership of the result of his agitation in his capacity as chairman of the conference committee.

Stebbins Protested

In October, 1930, Mr. Stebbins reports, he filed a protest with the commissioner of internal revenue in connection with his personal income tax. Mr. Stebbins reports that he was recently advised that his contention has been allowed in accordance with income tax No. 2567, Internal Revenue, Volume X, April 27, 1931, No. 17, page 7.

"I have received check for the refund due me in accordance with my claim," Mr. Stebbins relates. "I am sending you this information in the hope that it may be of some value to you, as I have no doubt that many members of our association are entitled to refunds, although I believe that the time for filing protests for 1927, 1928 and 1929 statements expired March 15, 1931."

Some general agents, Mr. Stebbins says, have followed his suggestions and report that they have recovered a greater sum than their dues in the association would amount to in many years.

Constable Is Appointed New York Special Agent

NEW YORK, Nov. 11.—C. C. Hannah of Boston, manager of the eastern department Fireman's Fund, Home F. & M. and Occidental, all of San Francisco, has appointed R. D. Constable special agent for the group in central New York, with headquarters in Syracuse. There he will be associated with Special Agent F. R. Campbell and the service office of the group. Mr. Constable is experienced both as to the fire business and his present territory, having traveled the field a number of years for a prominent fleet.

E. M. Zuel Is Dead

E. M. Zuel, head of the well known general agency of E. M. Zuel & Co., Mankato, Minn., died at his home there the past week. Mr. Zuel had been one of the prominent figures in the northwest field for many years and had been particularly active in the writing of hail insurance. E. M. Zuel & Co. are general agents for the New Brunswick Fire, the Southern Surety and the Missouri State Life and also have the British General for all of Minnesota except Minneapolis, St. Paul and Duluth.

E. H. Forry in New Post

Edwin H. Forry of Indianapolis, until recently vice-president of the Farmers Trust Company and well known in insurance circles, is now connected with the Union Trust Company of that city. Some years ago, Mr. Forry served as president of the Indiana Association of Insurance Agents for two administrations and also as regional vice-president of the National Association of Insurance Agents.

Life Members Society Meets



CLARKE J. MUNN
Retiring President



W. B. CALHOUN
New President

Notwithstanding the fact that the Fire Underwriters Association of the Northwest has suspended its meetings, the Life Members Society, composed of the old timers in the organization, continues to function. Its annual meeting was held Monday night in Chicago, presided over by Clarke J. Munn, manager of the Cook County Loss Adjustment Bureau, president of the organization, who dispatched the various features of the program with ease and versatility. The program was arranged by the indefatigable, hard working secretary, Holger de Roode, who is the guiding star of the society. There were three set speakers, Rev. Preston Bradley of the People's Church of Chicago; Victor S. Yarros, editorial writer of the Chicago "Daily News" and husband of the eminent physician, Dr. Rachel Yarros, and George

D. Gaw of the Gaw-O'Hara Envelope Company, Chicago's official municipal greeter.

Frank L. Erion, Chicago adjuster, extended the welcome to the new membership class, the response being made by Secretary H. P. Magill of the National Church Mutual of Chicago. T. Rockefeller Weddell, "Insurance Field," spoke for the press. Secretary Carl H. Ingram of the Fire Underwriters Association of the Northwest represented that body officially and read a letter from President J. F. Stafford, who was unable to be present. The oldest member present was the venerable C. E. Affeld of the class of '79, who is 90 years old. The only other living member of this class is H. F. Atwood of St. Petersburg, Fla., former president of the Rochester Ger-

(CONTINUED ON PAGE 42)

CONDENSED NEWS OF WEEK

Misgivings in some quarters over signing of earthquake insurance rate and form changes in Pacific Board. **Page 3**

C. R. Street, vice-president Great American, in talk before Tennessee Association of Insurance Agents, forcefully outlines insurance lessons of hard times. **Page 3**

Fire Underwriters Association of the Northwest closes its career. **Page 3**

Fidelity & Guaranty Fire reinsures business of Peoples Fire of Frederick, Md. **Page 4**

Because of technicalities in the California law, the proposed consolidation of the Associated Fire & Marine of San Francisco and the Chicago Fire & Marine has been called off. **Page 6**

Pacific Board votes at semi-annual meeting to enforce separation rule in Idaho. **Page 6**

Texas board of insurance commissioners to hold hearings on Dallas agents' license applications. **Page 7**

George Huskinson, former Illinois state superintendent of insurance, dies of heart disease in St. Louis. **Page 5**

C. L. Mahagan of the Western Adjustment, in a talk before Insurers of South Dakota, takes issue with criticism of F. L. Erion as to practice of stock company adjustment bureaus declining to act for mutuals. **Page 5**

Effective date of uniformity program deferred by Bureau of Personal Accident & Health Underwriters from Jan. 1 to March 1. **Page 39**

Beha reports to New York department on casualty acquisition cost rules complying with request of Van Schaick. **Page 39**

Extensive upward revision of fidelity rates is made by the Towner Rating Bureau. **Page 39**

Annual meeting of Insurers of South Dakota held at Aberdeen. **Page 5**

Important official changes at home office and in western and Pacific department of Firemen's of Newark are announced. **Page 5**

The Life Members Society of the Fire Underwriters Association of the Northwest held its annual meeting in Chicago this week. **Page 4**

Proposal in I. M. U. A. to remove inequity of low rate for certificates without minimum premium requirement. **Page 7**

With another conference scheduled for this month, progress is seen in the movement towards formation of a rating organization for aviation insurance. **Page 40**

Ocean Accident & Guarantee reinsures its credit indemnity business in the London Guarantee & Accident. **Page 41**

Darby A. Day and J. B. McCutchan, who were associated with the Chicago Fidelity & Casualty and various other promotional schemes, have been indicted by a federal grand jury at Kansas City. **Page 41**

Casualty Actuarial Society will hold its annual meeting in New York this week. **Page 40**

Maryland court denies sureties priority in claims against banks after receiver is appointed. **Page 40**

Quarterly premium health and accident companies reach an agreement as to underwriting practices. **Page 41**

Committees of Chicago general agents and branch managers are meeting Thursday to discuss ultimatum of eastern executives that Chicago Casualty Acquisition Cost Control must be assured by Nov. 15 or the matter will be taken out of the hands of the Chicago men. **Page 40**

Fidelity & Guaranty Fire Taking Over Peoples Fire

ALL AGENTS TO BE RETAINED

Business of Frederick, Md., Company Reinsured as of Nov. 1—Operate as Peoples Underwriters

BALTIMORE, Nov. 11.—The Fidelity & Guaranty Fire has reinsured all the outstanding liabilities of the Peoples Fire Insurance Company of Frederick, Md., with the exception of the Pacific Coast automobile business, which was taken over by the Rhode Island, effective as of Nov. 1.

The Peoples Fire was organized in 1907 with Emory L. Coblentz as president to write fire, motor vehicle, earthquake, tornado, hail and sprinkler leakage insurance and has been operating in Maryland, District of Columbia, Pennsylvania, New Jersey, New York, Virginia, West Virginia, Ohio and California.

Under the terms of the liquidation, which are now being considered by the directors of the Peoples, the Fidelity & Guaranty Fire will reinsure all business of the Peoples and this plan has been approved by the Maryland department. All agents not now representatives of the F. & G. will be commissioned agents of the Peoples Underwriters of the F. & G. and will continue to write business for the Peoples with the understanding that it is entirely protected in the Fidelity & Guaranty.

Merger Proposal Approved

NEW YORK, Nov. 11.—Stockholders of the Globe of America, Philadelphia, and the Republic of Pittsburgh, both of the Corroon & Reynolds group, at meetings Nov. 9 and 10, approved the merger proposal previously recommended by their directors. The deal must be sanctioned by the Pennsylvania department before it becomes fully effective.

When the amalgamation is completed the enlarged company will be known as the Globe & Republic, and will continue under the direction of Corroon & Reynolds. Pending completion of legal technicalities, agents of the two companies will continue to report business as they are now doing. These are old established Pennsylvania companies, the Globe having been organized in 1862 and the Republic in 1871.

New Officers for Gulf

DALLAS, Nov. 11.—Directors of the Gulf of this city have elected G. W. Jalonic, Sr., chairman of the board and Edgar L. Flippen, president. Mr. Flippen is a well-known Dallas business man, a director of the Southwestern Life and former director of the Republic Fire. G. G. Sheerin was promoted to vice-president; J. B. Adoue, Jr., was elected vice-president and T. R. Mansfield promoted from secretary to vice-president and secretary.

Wisconsin Veteran Dies

Joseph Koffend, 84, for 51 years associated with the insurance business in Wisconsin, as a prominent local agent and founder of Joseph Koffend & Son Company at Appleton, Wis., died at his home in that city, Nov. 10. Mr. Koffend was the oldest member in point of years of the Wisconsin Association of Insurance Agents. He established his agency in Appleton in 1880 and had often expressed the wish that he would be able to run it for 50 years. He was active in the business up to the time of his death.

Reed Heads Boston Board

S. B. Reed has been elected president of the Boston Board.

Important Shifts in Firemen's Staff

Vice-Presidents John Kay, A. H. Hassinger, Wells Bassett Resign

COONEY TO HOME OFFICE

Fred Sullivan Becomes Secretary, Assigned to Coast—Floyd Brown, Assistant Secretary at Chicago

Important official changes in the Firemen's of Newark organization at the head office, in the western department and in the Pacific Coast department are announced.

At a meeting of the finance committee some time ago Vice-Presidents John Kay, A. H. Hassinger and Wells T. Bassett, each presented a request that he be retired at some time prior to Dec. 31, according to the convenience of the company. Each of them informed the committee that he had served for many years and two sought to be relieved from responsibilities because they were suffering from serious heart affections. The term of service of the third of these vice-presidents had been nearly 50 years.

The request of each of these officers was granted at the November meeting of the board of directors which expressed profound regret at losing their services. The board requested the retiring vice-presidents to contribute their services and advice occasionally.

Cooney to Newark

Secretary John R. Cooney, who is now attached to the Pacific department, is advanced to vice-president and will take up his residence in Newark as soon as possible.

C. W. Payne, now assistant treasurer, will be promoted to treasurer, the duties of which position have been rearranged so that Mr. Payne may devote himself largely to investment activities.

Secretary W. J. Schmidt will assume larger responsibilities, taking over some of the duties heretofore assigned to the treasurer.

Fred W. Sullivan, assistant secretary at the western department at Chicago, has been designated secretary and will succeed Mr. Cooney at San Francisco.

Lloyd W. Brown, Illinois state agent, is advanced to assistant secretary to succeed Mr. Sullivan at Chicago.

H. P. Blanchard, Secretary Fireman's Fund, Retires

SAN FRANCISCO, Nov. 11.—Secretary H. P. Blanchard of the Fireman's Fund, after 42 years' continuous service, is retiring Dec. 1, under the company's retirement plan. He entered the company's employ July, 1889, and after serving through various underwriting desks was made special agent in 1900, covering the north coast counties of California. In 1930 he was transferred to Washington with jurisdiction over eastern Washington, eastern Oregon, Idaho and Montana. May 15, 1907, he was elected assistant secretary and in September, 1918, was elected secretary. He has also served as secretary of the Home Fire & Marine and Occidental since their organization. He is president of the San Francisco Underwriters Fire Patrol, has served on many important committees of the Pacific Board and has taken an active interest in Pacific Coast underwriting.

Leach Is Elected President by South Dakota Insurers

CALHOUN ON THE PROGRAM

Speakers Take Up Important Subjects —Banquet in Evening Tendered by Field Men

ABERDEEN, S. D., Nov. 11.—Fred H. Leach of Yankton was elected president of the South Dakota Insurers at the annual convention held here yesterday. H. F. Wilson, Aberdeen, was elected vice-president; J. D. Dux, Sioux Falls, reelected secretary-treasurer. The executive committee consisting of the newly elected officers, also J. B. Allen, Sioux Falls, and A. W. Weller, Mitchell, chose Huron as the next meeting place and fixed the third Tuesday in October, 1932, as the date.

An all-day session closed with a banquet in the evening arranged by the members of the South Dakota Fire Underwriters Association. W. I. Rowe of Aberdeen was toastmaster. His address of welcome was responded to by J. B. Allen of Sioux Falls. Other short talks were given by E. H. Luecke of Sioux Falls and Henry Larson of Fargo, N. D.

Discuss Live Subjects

H. F. Wilson, Aberdeen, president of the association, presided throughout. Addresses were given by M. B. Ryon, assistant manager of the General Inspection Company at Minneapolis, who spoke on "rate making"; C. L. Mehagan of the Western Adjustment at Minneapolis, who discussed "Losses," while Willard Lowry, manager marine service department at Milwaukee for the Fireman's Fund, talked on marine business. He was substituting for E. D. Lawson, western marine manager.

President William B. Calhoun of the National Association of Insurance Agents, spoke on "The American Agency System." He left immediately following his address for Knoxville, Tenn., to attend the convention of the Tennessee agents.

Fred N. Whiting, Pierre, legal adviser and deputy insurance commissioner of South Dakota, gave a general talk while Barrie Curran, Des Moines, spoke specifically on "Farm Business." Mr. Curran is Iowa state agent of the farm department of the America Fore group.

Question Box Lively

There was a question box period which resulted in an animated exchange of ideas.

Resolutions included a vote of thanks to speakers on the program, state and special agents who were hosts to local agents, and the local committee of insurance agents. A revised constitution and new by-laws were adopted.

"We need reciprocity in business support and a campaign stressing the need of local boards," said W. B. Calhoun. He showed the benefits of the National association to the local agents, made possible by conferences, business relations and better business committees. "The National association which began 36 years ago," he continued, "now has a membership of 15,000."

"Insurance is for the unfortunate, not the dishonest," said Mr. Whiting. "Agents writing life insurance should be careful to sell right coverage so that the public will have an investment instead of just a term insurance," he continued.

No other method has proved so successful in reducing moral hazard as that of limiting the insurance to be written to such an extent the insured will be penalized if a loss occurs. Mr. Curran told the South Dakota agents. He suggested selling more personal property insurance to regain the loss on building insurance. The local agent must be salesman enough to write a

(CONTINUED ON PAGE 8)

Former Official Dies From Heart Attack



GEORGE HUSKINSON

George Huskinson, chairman of the board of the Prudential Casualty & Surety of St. Louis, died of heart disease Friday morning while walking in the street there. Mr. Huskinson gained his first insurance experience with the McKinney Insurance Agency at Alton, Ill., where he made his home for many years. He became actuarial clerk in the Illinois insurance department in 1898, getting his training under the late J. J. Brinkerhoff. He served as assistant actuary under five administrations. He resigned from the insurance department when Frank O. Lowden was governor to become bank examiner. He was appointed assistant superintendent of insurance in 1921 and superintendent Jan. 26, 1927, serving until he resigned, being succeeded by the present incumbent, H. W. Hanson. Mr. Huskinson had been in rather delicate health for some time and after he left the superintendent's office he went out to Colorado to recuperate. He became stronger and took up his work with the Prudential Casualty & Surety.

Stricken on the Street

Mr. Huskinson after taking his position with the Prudential Casualty & Surety resided at Alton. He commuted daily between Alton and St. Louis. He left the Eads Bridge Illinois Terminal Traction station Friday morning and as was his daily custom he walked to the office. He collapsed at Sixth and Olive streets. He was carried to the city morgue and from papers on his person he was identified and the Prudential Casualty informed. Mr. Huskinson was a man of most kindly disposition and intensely loyal to his friends. The funeral services were held Sunday afternoon from the home of his brother in Alton, R. G. Huskinson.

Offers Installment Cover

ST. PAUL, Nov. 11.—A new form known as "jewelry installment insurance" is being issued by the St. Paul Fire & Marine. It is used in conjunction with the regular conditional sales policy. The form is designed to cover installment sales of reputable jewelry concerns. Coverage is granted only on personal jewelry sold under the installment plan, against the hazards of fire, theft, holdup, burglary, tornado, earthquake, flood, loss of stone or stones from mountings.

An open policy will be issued in the name of the jewelry store against which certificates will be issued for each individual assured. The rate will be 1½ percent with a 75 cent minimum premium on any one certificate.

Takes Issue With F. L. Erion on Ban

Mehagan Justifies Stock Company Bureaus Declining to Act For Mutuals

ADDRESSES S. D. AGENTS

Western Adjustment Man Says Practice Prompted by Desire to Keep Faith With Agents

ABERDEEN, S. D., Nov. 11.—The statement of F. L. Erion, independent adjuster, Chicago, that it is a mistake for stock company adjustment bureaus to decline to act for mutuals and reciprocals on losses in which all classes of carriers are interested was challenged by C. L. Mehagan, general adjuster at Minneapolis for the Western Adjustment, in his address before the Insurers of South Dakota. Mr. Erion's criticism was made in a talk before the annual meeting of the Illinois Association of Insurance Agents. Mr. Mehagan did not mention Mr. Erion by name, but it was evident that he was commenting on Mr. Erion's remarks.

"It has been said," Mr. Mehagan said, "that there should be no competition in the adjustment of losses as between stock companies and mutuals and reciprocals where they are on the same loss. In this we heartily agree and believe the adjusters representing all interests should cooperate to the end that the loss be adjusted strictly on its merits."

Where He Disagrees

"However, we disagree just as heartily in the statement that the stock company owned bureaus have made a mistake in declining to act for mutuals and reciprocals. A company owned bureau is not operated for profit. It is the purpose of the organization faithfully to serve the best interests of the companies to which it belongs. The interests of these companies are dependent on their agency plants and we believe therefore that good faith can be kept between the bureau and the agents only by declining to serve any interest antagonistic to the agents."

Most of Mr. Mehagan's address was educational and historical. He described the development of adjusting from the days when that was part of the special agent's work until today when the Fire Companies Adjustment Bureau is functioning.

In the early days of fire insurance in this country, Mr. Mehagan pointed out, there was a multiplicity of policy forms and adjustments were confusing. Each company assigned its own adjuster, usually a special agent, and usually even on comparatively small losses a convention of adjusters gathered, each with a different policy. Adoption of a standard policy by the New York legislature in 1886 eliminated much of this chaos.

Losses Were Limited

When special agents were responsible for adjustments, losses were limited largely to fire and tornado and occasionally to rental. As the fire companies extended their coverages, the need for specialized adjusters became evident, according to Mr. Mehagan. The waste in having 20 or 30 special agents tied up in a large adjustment for a week or more became obvious.

The first effort to eliminate duplication of work was in Cincinnati in 1875, he said. There, a committee was formed from among the insurance companies of that city and it was authorized to make adjustments. The committee adopted

(CONTINUED ON PAGE 13)



COVERAGES EFFECTED

FIRE,
AUTOMOBILE,
TORNADO,
RENTS,
LEASEHOLD
EXPLOSION,
RIOT and CIVIL
COMMOTION,
PROFITS AND
COMMISSION,
USE & OCCUPANCY
INLAND MARINE
OCEAN MARINE

EMPTY STOMACHS LEND WILLING EARS

Who knows what the future holds in store?

This economic depression has brought about much social unrest—unemployment, wage reductions and dissatisfaction, strikes, bread lines, etc. Freight trains are loaded with hoboes—indeed it is not unusual to see hundreds of them on a single train. Under the stress of the times, these idle hands and minds often become the pawns of radical propaganda and exhortation, and are incited to riotous frenzy. It requires no great stretching of the imagination to visualize this danger.

Patriotic agents, quick to anticipate this insurance need are urging the merchants of their communities to protect their property with Riot and Civil Commotion insurance.

PATRIOTIC INSURANCE COMPANY of AMERICA

HEAD OFFICE
55 FIFTH AVENUE, NEW YORK

OSWALD TREGASKIS, President

WESTERN DEPARTMENT
WRIGLEY BLDG.,
CHICAGO

JOHN F. STAFFORD,
Manager

MARINE DEPARTMENT
11 SOUTH WILLIAM ST.,
NEW YORK

WM. H. MCGEE & CO.,
General Agents

PACIFIC DEPARTMENT
SAN FRANCISCO

C. A. HENRY,
General Agent

Separation to Be Enforced in Idaho by Pacific Board

CONSIDER FARM BUSINESS

Jurisdiction Assumed Over Air Craft
and Auto Damage Cover—Tighten
Up on Credit

SAN FRANCISCO, Nov. 11.—A vote to enforce the separation rule in Idaho was one of the principal actions taken by the Pacific Board at its semi-annual meeting here last week. Following the visit of a number of committee members to that state, it was generally conceded that enforcement of this rule in lieu of the "gentlemen's agreement" which has been in effect for some time, would be to the best interest of all concerned.

While there were a number of perplexing problems on the agenda, free discussion and a general feeling of optimism reigned with the result that decisive steps were taken to remedy the existing conditions.

As the result of the meeting, aircraft and motor vehicle damage insurance is to be within the jurisdiction of the Pacific Board as soon as the necessary signatures are secured for the amendment of Article 2 of the constitution to include these forms of coverage.

Tighten Up on Credit

That there will be a general tightening up and revision of the board's credit rule was also indicated in the action of the members in approving in principle a proposition from the "Insurance Accounts Association." This proposition which seeks to eliminate many of the inconsistencies in the present rule, formed the basis of the discussion, and it was decided that the executive committee should prepare an amendment to the rule for vote of the members in the near future.

While no definite action was taken in the matter of the writing of third party liability, it was generally felt that a special committee should be appointed for the purpose of fixing definite rates and setting up certain safeguards and a framework for the writing of this class of business.

Favor Change in Farm Underwriting

In view of the constantly increasing losses on farm business, it was agreed that some changes in the method of writing this class with the possibility of increased rates should be made. Following a conference with representatives of the California Association of Insurance Agents, the board's farm and executive committees are to give further study to the recommendations made and bring in a report at a later meeting.

Facultative reinsurance was the subject of considerable discussion and although no definite action was taken, expressions were to the effect that a rule should be promulgated for the writing of this class, and the matter was referred to the executive committee.

Actual operating expenses of the board showed a reduction of approximately 12 per cent when compared with operations during last year, according to the report of the supervisory committee.

The National Union was the only company added to membership since the last meeting, while six have withdrawn, although of this number five were merged or withdrew from the territory, the other withdrawal being the Iowa National which recently went "non-board" in this territory.

McBride with Fireman's Fund

Frederick B. McBride, formerly with the North America in its New York office, has been appointed assistant manager of the Atlantic marine department of the Fireman's Fund group, in charge of ocean marine underwriting.

Merger of Chicago F. & M., Associated Is Called Off

TECHNICALITY CAUSES SHIFT

Recent Amendment to General Corporation Law of California Blocks Consolidation

The deal whereby the Associated Fire & Marine of San Francisco and the Chicago Fire & Marine were to be consolidated has been dropped, temporarily at least, because of a technicality in the California law.

The preliminaries had been disposed of and meetings of stockholders had been called when an amendment to the general corporation law of California, enacted at the last session of the legislature in that state, was discovered. The effect of the amendment is to prevent a merger of a California corporation with a corporation of another state unless the laws of the other state are the same as those in California, especially as to provisions for the protection of minority stockholders. Inasmuch as the Illinois law makes no provision for dissenting stockholders, the merger was called off.

Although several plans were suggested for getting around the amendment to the California law, it was decided that following any one of these plans would probably produce an imperfect corporation.

More than 75 percent of the stockholders of the Chicago Fire & Marine had already approved the consolidation. That company now has a deal under way with another company, which is expected to be completed soon.

Miller Special Assistant to Secretary Walter Bennett

J. B. Miller has been appointed special assistant to W. H. Bennett, secretary of the National Association of Insurance Agents, and will aid the latter in handling the multitudinous questions presented the organization. A native of New Jersey, Mr. Miller attended the University of Pennsylvania, seeing service later in the world war. He has been associated with the Gulf Refining Company, National Vulcanized Fibre Company of Wilmington, the Fiat Metal Manufacturing Company, and was New York sales representative of MacDonald Brothers, an industrial engineering firm, of Boston. Mr. Miller is 34 years old, has a pleasing personality and will be a valuable addition to the National association's executive staff.

The Prudential of Great Britain has been licensed in California with Mullin-Acton Co. of San Francisco as general agents.

MAN

with thorough knowledge of casualty and surety business would like to associate with general agency or large local agency. Would prefer connection with possibility of purchasing future interest. Will locate anywhere. Fifteen years' experience. Address U-41, The National Underwriter.

FOR SALE

Full set of latest issue Youngstown, Ohio, Sanborn maps—good as new, 25% discount from list. Address U-43, The National Underwriter.

Western Canada Manager

of a prominent fire, hail and casualty Company with many years experience as a successful producer is interested in a new connection of like capacity preferably in Montreal or Toronto. Reference present employer. Address U-44, The National Underwriter.

Proposal in I. M. U. A. to Remove Inequity on Furs

PLAN FLAT RATE OF \$1.50

Certificates Under Master Policies May
Be Put on Parity With
Vault Form

One of the most annoying problems facing local agents, that of the individual certificate issued under master furriers' customers' forms, is in a fair way to be solved by the Inland Marine Underwriters Association of New York. There is a proposal now before that organization to put the certificates on the same basis as the straight fur floater form with a \$5 minimum premium and \$1.50 per \$100 flat rate country-wide.

Almost every producer is familiar with the situation under which his wife or other feminine member of his family can insure her furs by obtaining a certificate from a furrier at much less than he could provide the insurance for her, even after deducting his commission.

Disparity in Rates

It has placed the marine companies in the position of selling protection some times as low as 60 cents per \$100 valuation, often without any minimum premium requirement, under a certificate form; whereas the identical protection under the all-risk furriers' customers' policy, vault form, carried a 2 percent rate for all amounts and an \$8 minimum premium.

The vault form covers in storage and also in transit to and from the customer against all risks and is on a monthly reporting basis. There never has been any criticism of this form. However, the second form, called the master furriers' customers' certificate form, carries rates varying rather widely, depending on the type of vault construction, police protection, etc., and there are instances of certificates being issued as low as 60 cents per \$100 and as high as \$1.50 or more. A minimum premium is not always required, although sometimes a rate of 1 percent is set and a \$3 minimum premium called for.

Furriers as "Agents"

The situation virtually has placed many furriers in the insurance business without their being required to obtain agents' or brokers' licenses. It has been the custom for the companies to charge furriers under these master contracts a definite rate, varying as indicated heretofore, from 60 cents to \$1.50 or more, for each certificate which the furriers issue. The furriers report as soon as certificates are issued and remit premiums monthly.

However, many furriers have developed their own "racket" selling the purchaser of a fur garment a combined service, including insurance, cleaning or renovating furs, and storing, which has been known to range as high as 4 percent of the valuation. On the latter basis then the furrier who was charged 65 cents per \$100 for the certificate would have a net of \$3.35 per \$100 out of which would come any expense incidental to cleaning and storing the garment, the remainder of which in effect would be his commission for selling the insurance.

Rate Is Not Shown

It has been the custom not to stipulate the rate on the customer's certificate. As a result of this furriers have been able to name a flat price for the combined service which in many cases depended only on their conception of what the public would stand for. It is proposed to display the rate prominently in certificates.

A recent case which is typical is the charge of more than \$32 on a fur coat, the purchase price of which was \$850. If the furrier in this case paid even as high as \$1.50 rate for the certificate, he had a gross remainder of about \$20.

The protection under the vault form

Texas Commissioners Will Hear License Applications

CLEAR UP DALLAS SITUATION

To Eliminate Part-Timers Under New
Law—Rebating, Over-Insurance
May Be Investigated

DALLAS, TEX., Nov. 11.—The Texas board of insurance commissioners will begin hearings on applications for insurance agents' licenses in this district here tomorrow. A study will be made of the thousands of applications for licenses in Dallas. The hearings will continue indefinitely.

It is reported in insurance circles that a large number of license applicants are not eligible under the provisions of the new agents' license law which requires that licenses be granted only to persons who devote their full time to solicitation of insurance business.

There have been a number of complaints from Dallas to the department during the past few weeks regarding applicants and the Dallas exchange has offered all the data it has regarding any application, if that information is needed.

Applicants May State Cases

It is said at the Dallas hearings applicants will be given an opportunity to show why they are entitled to have a license and that companies wishing to employ them will also be heard.

The Dallas situation, complained of for years, probably will be partly ironed out at the Dallas hearings, insurance men feel.

From what can be learned opposition will develop to applications from real estate men who have been writing business on property they sell. It is claimed these men are not entitled to a license under the new law. Opposition also will be voiced, it is said, to licensing contractors who have been writing applications on some property they have in charge and men working under them on construction jobs.

Also, there will be opposition to any and all persons wanting licenses where it can not be shown they expect to spend all their time soliciting insurance business.

Will Investigate Rebating

It is expected also, that the board of commissioners before closing the Dallas hearing will look into the matter of alleged rebates and of overinsurance. These are prohibited under the new law and will be dealt with in connection with the granting of licenses.

The board, it is understood, decided that since the "situation" in Dallas has been the bone of contention for years in the business, the hearings on applications should be held on the scene in order that "all concerned" would have an opportunity to be heard. The state board wants to be fair but at the same time it wants the new law enforced.

Barter Transactions Extended

Barter transactions are said to be making their way more extensively into the insurance business. It has been customary always for agents to trade out insurance accounts at mercantile establishments. Now this custom is said to be extending. This is the reason why a company can not always determine whether or not a merchant has paid his premium on an insurance account. It is often true that the agent has an account at the store which counterbalances the amount which the merchant owes. More than ever, the only sure way to know whether or not an account has been paid is to consult the customer.

and the certificate, it is emphasized, is identical so far as either furrier or customer is concerned.

"Support"

«»

LAST week the Vice-President of an important company wrote a letter to The National Underwriter regarding advertising, and among other things said:

"Of course, I realize the value of the service that such publications as yours render the business, and for that reason I feel that we should give you a certain amount of support, which we try to do."

The National Underwriter does not need any "support", has not asked for it, and never will. It is engaged in a necessary and legitimate business enterprise. It is, in fact, operating the largest insurance publishing organization in the world. Its activities extend to every branch of insurance. Advertising is simply one of the business commodities it has to sell.

If an insurance company should buy some bonds from an investment house, would there then be talk of its "supporting" the investment company? Is the insurance company which regularly buys typewriters, office space, letterheads, carbon paper, etc., "supporting" the firm from which these purchases are made?

Certainly not. It is, instead, simply doing business with them. Both the buyer and seller are pleased with and profit by the transactions.

So it is with National Underwriter advertising. We offer it for sale because it has a definite, tangible and known value—not for any other reason. Buy it because it will build prestige and results for you. Buy it because it will help your men in the field to get new agents. Buy it for the good will it can create—the exact value of which cannot be measured, but should never be underestimated. Buy it because you need it; because the leading and most successful companies have found it to be of value and show no indications of changing their opinion regarding it. Buy it as a sound investment in the future of your company, but don't buy it to "support" us. We are not rattling the tin cup.

(Number 10 of a series devoted to the merits of National Underwriter advertising)

«»

The National Underwriter

The leading weekly insurance newspaper

E. J. WOHLGEMUTH
President



C. M. CARTWRIGHT
Managing Editor

Leach Is Elected President By South Dakota Insurers

(CONTINUED FROM PAGE 5)

full line on outside personal property including grain, vehicles, machinery and live stock.

President W. B. Calhoun of the National association appealed to the Tennessee agents for an increase in membership. He pointed out that without adequate income, the National association cannot continue performing the service which members expect. He said that under the five-year development plan of the National association a 35 percent increase over the Sept. 1, 1927,

membership has been obtained and that it is important to achieve the goal of a 50 percent increase by Aug. 31, 1932.

Mr. Calhoun spoke in behalf of the reciprocity in business campaign. He endorsed the practice of classifying companies and urged that representation and premiums not be given to any company which is not a believer in the principles of the organization. He censured those companies which failed to pay commission in connection with the Hoover dam bonds.

Mr. Calhoun concluded with the prediction that better business conditions are in sight and that the corner has been turned.

Agents, Board to Confer on Coast Farm Changes Nov. 17

SAN FRANCISCO, Nov. 11.—A meeting between representatives of California Association of Insurance Agents and the Pacific Board to discuss proposed changes in writing farm business will be held Nov. 17. These changes embody two major proposals: Whether or not the three-fourths value clause should be made to apply generally on all farm property in Pacific Coast territory and whether or not there should be increased rates on this class with certain

excepted territory which, generally speaking, would be the citrus district south of the Tehachapi mountains and Santa Clara valley.

The board will be represented by those participating in an informal discussion November 9 including McClure Kelly, president; H. L. Simpson, vice-president; H. F. Badger, secretary; John C. Dornin, chairman farm committee, and A. T. Bailey, chairman executive committee. The association will be represented by Percy S. W. Ramsden, president; Eugene Battles, H. J. Thiel, C. T. Buckman, H. B. Scudder, Bert Statham, Fred Truman, C. W. Thomas, Mac Robbins, Thornton D. Webster, Harry Roth, Charles McSherry and Frank Colridge, executive secretary.

W. B. Goodwin Is Retiring

NEW YORK, Nov. 11.—W. B. Goodwin, secretary World F. & M., a subsidiary of the Aetna Fire, has retired after 36 years service to devote himself to research and civic work. His connection with the Aetna dates from 1895 when he became its agent at Seattle. Soon thereafter he became attached to the Aetna's department at San Francisco. In 1904 he was transferred to Cincinnati, first as special and then as state agent for Ohio and West Virginia. He was called to the head office in 1923 as secretary of the then newly organized World F. & M. While in Ohio Mr. Goodwin was a leader in the fire prevention movement. His plans were adopted by the federal government when the United States entered the world war.

YOU Are Cordially Invited to CONNECT WITH THE *Connecticut*



THE CONNECTICUT Fire Insurance Company

HARTFORD, CONN.

1850 ————— 1931

Late News from the Casualty Field

Fraser L. & L. Indemnity Chicago Branch Manager

J. M. Fraser, formerly in charge of the Syracuse branch of the London & Lancashire Indemnity, has been appointed manager of the Chicago branch office. Mr. Fraser has been with the company for the past eight years and when located in Syracuse had charge of the territory from Utica to Buffalo. He has a well rounded experience, having been connected with several departments of the company, first in the claim end and later in the production department as manager.

J. J. Mullins, formerly manager of the Chicago branch, has always been interested in field work and will in the future devote himself to that work as field supervisor. The Chicago office has charge of the territory for Illinois, Wisconsin, five northern counties of Michigan and western Indiana.

Increase Great American Surplus

A special meeting of stockholders of the Great American Indemnity has been called for Nov. 23 to act on the recommendation of the directors that the capital be reduced from \$1,500,000 to \$750,000 by reducing the par value of shares from \$10 to \$5, and then be increased to \$1,250,000 by the sale of 100,000 new \$5 shares at \$12.50 per share. The result of these changes would be to increase the capital by \$500,000 and add \$1,500,000 to surplus.

Glen Henderson has opened a new agency at Bloomington, Ind., under the name of the Henderson Insurance Company, and will specialize on automobile insurance.

Man Available

Services of a local agent, as State Agent or Field Man for Lower Michigan, desires change in fire line, not afraid of work. Address U-45, The National Underwriter.



equitability

fairness in loss adjustments—promptness of settlements—these, no less than the Queen's sound resources, have earned the confidence and esteem of the insuring public as well as the good will of agents. Although the Queen has paid out over one hundred and five million dollars net losses, no catastrophe has ever affected the Queen's ability to settle every claim fairly—equitably.



Capital \$5,000,000
150 William St., New York

QUEEN

INSURANCE CO.
of **AMERICA**

AS SEEN FROM CHICAGO

CHICAGO INSURANCE CLUB PLANS

The officials and some of the leading members of the Chicago Insurance Club held a conference last week to talk about its future. The club has rooms in the Insurance Exchange and it was decided to continue them. The dues will be reduced from \$25 a year to \$10 a year. It seemed to be the opinion that if an educational course was established and out-

standing speakers secured in various insurance lines the club would function more successfully. Accordingly a committee was appointed consisting of J. F. Stafford, Sun; G. Irving Fiery, Royal Indemnity; Benjamin Richards, Underwriters Service Association, and G. A. Mayon to canvass the situation and see what can be done along educational lines. It will be the plan to invite repre-

sentatives of different insurance organizations for a conference to ascertain whether the Insurance Club cannot occupy a field of general insurance that is not covered in Chicago at present. It may be that a banquet will be held to start the ball rolling.

* * *

HAIL MEETINGS SCHEDULED

The annual meeting of the advisory committee of the Western Hail & Adjustment Association is to be held in Chicago, Nov. 19-20. At that time a chairman for the new year will be elected to succeed J. B. Cullison, Jr., manager of the Rain & Hail Insurance

Bureau; the records for the year will be reviewed and rate and other changes will be recommended. The annual meeting will be held Nov. 30 with E. A. Henne, vice-president and western manager of the America Fore, presiding.

The hail business will show a slight profit this year, despite a reduction in premiums for the United States and Canada combined of 50 percent. Canadian premiums were less by 80 percent than last year. The loss ratio is estimated at about 30 percent, but the expense ratio is excessively high because of the greatly curtailed revenue.

The collection situation is not alarming. More than 30 percent of the notes given by farmers to cover premiums were retired before due date without prompting from the companies. Results in collecting under the outstanding notes will determine whether the business will show a profit.

* * *

FIELD CLUB'S MEETING

The annual meeting of the Cook County Field Club will be held next month. John Butt of the Niagara and D. A. Rickhart of the Phoenix of Hartford have been appointed by President C. C. Hatcher as a committee to make arrangements for the banquet and meeting. C. M. Cartwright of THE NATIONAL UNDERWRITER addressed the club at its luncheon this week.

* * *

MANAGERS' NIGHT FOR EXAMINERS

Ernest Palmer, manager Chicago Board, will speak to the Fire Insurance Examiners Association on "Organization and Functions of the Chicago Board" at a dinner meeting Nov. 19, at De Met's men's grill in the Board of Trade building. It will be managers' night and all managers and assistant managers are expected to attend.

* * *

WADDELL NOW IN CHICAGO

W. W. Waddell, manager of the Hawkeye & Des Moines Department of the Fireman's Fund at Des Moines, who has been made agency superintendent in the western department of the Fireman's Fund at Chicago, is now ensconced in his office and is directing activities from the latter city. He intends to move his family to Chicago in a short time. Mr. Waddell's older son graduated from Northwestern University last June and is now working in St. Paul. Mr. Waddell was formerly located in Chicago when he was associated with the old O. C. Kemp general agency, where he learned the insurance business. Then he went into the Iowa field for the National Fire of Hartford and later was associated with the Royal. He was in the local agency business at Des Moines but took charge of the Hawkeye & Des Moines Department of the Fireman's Fund and has augmented that organization.

* * *

JENS IS FOOTBALL FATHER

Arthur Jens, Jr., the son of A. M. Jens of Jens & Murray, Chicago local agents, is making a record on the Northwestern University football field. Young Jens is a sophomore and has played in every Northwestern football game this season except the Notre Dame game. He is of lanky build, being 6 feet 3 inches in height and weighing 170 pounds. He plays an end position and his specialty is blocking. In the game with Ohio State University young Jens suffered knee and shoulder injuries but was back in the Minnesota-Northwestern game last Saturday, bandaged but effective. While in Wheaton high school young Jens won the high hurdles championship of the state.

* * *

BLACKMON TO NEW YORK

Clifton Blackmon of Chicago, assistant editor of the "Insurance Field" at Chicago, working with Associate Editor T. R. Weddell, is transferred by his publication to New York as associate editor in charge of its news bureau there, succeeding John M. Francis, who goes with the insurance department of the New York "Journal of Commerce." Mr. Blackmon is a native of Dallas.



THE OLD MAN ON THE FENCE

... a Trademark and a Guarantee

The Old Man on the Fence is a symbol of the sturdy honesty and earnest integrity of the Ohio Farmers Insurance Company. He is a guarantee of the reliability that has provided PROTECTION SINCE 1848.

Any policy entitled to bear the trademark—the Old Man on the Fence—is backed by the full strength of this old, established, strong and reputable Company.

And any agency that represents the Old Man can count on his sympathetic cooperation and his friendly aid in building a pleasant and profitable business.



OHIO FARMERS
INSURANCE CO., LEROY, O.

He attended Texas Christian college and Southern Methodist University. He then went to the University of Missouri, specializing in journalism. He joined the reportorial staff of the Dallas "News." In June, 1929, he went with the "Insurance Field" at Louisville and early last year he was transferred to Chicago.

WESTERN LOSS MEETING

The annual meeting of the Western Loss Association will be held next week. T. E. Heald of the National Fire of Hartford is now president.

LEVIN OPENS OWN OFFICE

Samuel Levin of the Chicago law firm of Silber, Isaacs, Silber & Woley is retiring from that office and has opened one of his own in the Borland block. Fred D. Silber of the firm is general counsel of the Western Insurance Bureau and the office handles considerable insurance work. Mr. Levin therefore has come in contact with insurance through the firm. He formerly was located at Danville, where he was prosecuting attorney.

GRUPE RESIGNS CLASS 1

Resignation of A. H. Grupe from Class 1 membership in the Chicago Board has been accepted. Mr. Grupe recently left the agency ranks to become manager of the Continental Lloyds, which is being reorganized and put into active operation.

Changes in the FIELD

Change Made in Michigan

American of Newark Announces Some Readjustment of Its Affairs in That State

The American of Newark announces that George R. Pritchett of Grand Rapids, its special agent, has been appointed state agent for eastern Michigan, including Wayne County. He will establish an office in Detroit as soon as possible. R. A. Smith has resigned as of Jan. 1, and until that time will continue to serve as special agent in that territory under the direction of Mr. Pritchett.

H. L. Ridenour, Michigan state agent, will maintain his headquarters at Grand Rapids, and continue his supervision of the western part of the state.

G. A. Strasen, Wisconsin state agent, will continue in charge of the Upper Peninsula in addition to Wisconsin.

F. W. Andrews

Fred W. Andrews of Detroit, who has been Wayne county manager for Crum & Forster, resigned Nov. 1, after having handled that territory for 12 years. Mr. Andrews has not yet perfected his plans for the future, but it is probable that he will seek another connection in the fire field after a vacation. It is likely that his successor will be appointed by Crum & Forster very shortly.

C. D. Massey, Jr.

C. D. Massey, Jr., has been appointed inland marine special for the Home of New York groups in Ohio and Indiana. His headquarters will be with State Agent H. M. Chittenden in the Hartman building, Columbus. Mr. Massey goes to Ohio from Florida. Before going to Florida, he was at the home office in New York.

S. E. Willcuts

S. E. Willcuts of Topeka, for 14 years state agent for the Fireman's Fund, has been appointed executive special agent for the T. W. Garrett, Jr., general agency, of Kansas City. Mr. Willcuts

has been active in insurance work in Kansas and in organizations for a number of years, having been president of the Kansas Fire Prevention Association at one time. He also has taken an active part in the Blue Goose and in field clubs. His headquarters will continue to be in Topeka.

Miscellaneous Notes

Announcement has been made of the purchase of the **Gilbert L. Romans** agency at Mountain View, Okla., by George Comstock.

Carl G. Lund, president of the Oklahoma Fire Prevention Association, who underwent a major operation recently, has recovered and returned to his desk.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

TRYING TO DEFINE SCOPE

The business of making the Insurance Executive Association a reality has apparently come to the stage where progress must necessarily be slow. One of the important features, decision on which will require extended conversations, is what the scope of the organization is to be. An agreement has not been perfected and it is considered desirable to have the scope defined so that

certain companies whose membership is especially desired, but who are deferring joining the organization until they are advised on this point, may be attracted. There are those who want to know just what the association proposes to do, what cost is involved, etc., before joining.

There is still much speculation as to who and what type of man is to be acquired as president of the association.

Special Agent

Haines

says



"JUST as a hard hill calls for more 'gas' from your automobile, so do times like these call for more intelligent sales help from insurance companies. The Northwestern furnishes agents with real tools to get business."

● If you would like to know how the Northwestern works with a live, active agent who means business, write to

**NORTHWESTERN
FIRE & MARINE INSURANCE CO.**
JOHN H. GRIFFIN, PRESIDENT
MINNEAPOLIS MINNESOTA

There seems to be considerable sentiment in favor of a president who is versed in insurance. Changes are contemplated which will result in lower expense and make fire insurance more popular with the public. There is a feeling in some quarters that a real insurance man is necessary if these changes are to be effected within a reasonable time.

T. B. DONALDSON SPEAKS

T. B. Donaldson, associate manager Eagle Fire of New Jersey, is the principal speaker Thursday evening at the meeting of the Fire Insurance Examiners' Association of New York. Mr. Donaldson is discussing the reinsurance reserve of fire insurance companies and the effect which depreciation in the value of securities has on surplus. A representative of Henry Klein & Co., manufacturers of fireproof wood, will tell the members about his product.

NATIONAL BOARD INSPECTIONS

Having completed its extended survey of the fire protection equipment of both Philadelphia and San Francisco, the engineering department of the National Board is assembling the material and will shortly issue its reports. Within a short time a study will be made of conditions at Elizabeth, N. J., which city has materially added to its fire fighting service and through its mayor has asked that these be inspected.

SURVEY OF AIRPLANES

The aviation department of the Fidelity-Phoenix has made a survey of the airplane industry and finds that air travel is steadily increasing in spite of unfavorable business conditions. Up to Aug. 31, 286,088 persons were recorded as passengers. On Oct. 1 there were 10,609 planes of all types in use. More and more express shipments are being sent by plane.

KERN TO GOODWIN POST

G. F. Kern of Fuller & Kern succeeds the late W. F. Goodwin as president of the Fire Insurance Agents' Association of the City of New York, having been elected at a special meeting Nov. 6. Since retiring as manager of the automobile department of the Phoenix of London some years ago to assume a partnership in the local agency, Mr. Kern has been an active participant in every move to advance the interests of the local agents. The firm of Fuller & Kern was a charter member of the agents' association, Mr. Kern serving as chairman of several of its important committees. He has likewise been named

to the vacancy created through the death of Mr. Goodwin as a member of the fire companies conference committee of the National Association of Insurance Agents.

USUALLY GET HURT

Insurance men are interested in charges brought by Marjory O'Brien of Boston against Goldman, Sachs & Co., seeking to recover \$500,000 for alleged negligence, mismanagement, etc. It is alleged in the petition that this firm contemplated gaining control of insurance companies, etc. Whether the Goldman-Sachs interests seriously contemplated gaining control of fire companies is a question. This scheme was taken up seriously some years ago when the late George W. Perkins, then a member of J. P. Morgan & Co., looked into the matter only to conclude that the proposition was not practical. Banking houses have often dabbled in insurance company affairs, but their experience has seldom been satisfactory. More than one financial firm has taken a severe beating in its insurance activities and

this is especially true during the last three years.

AGREEMENT CHANGES UP

Important changes in the proposed amendment to the agreement of the New York Fire Insurance Exchange and rule changes were under consideration at the meeting of the organization this week. One of the changes in the agreement would prohibit a company joining the exchange unless all affiliated companies operating in exchange territories are members and/or signatories to the agreement. Also members are prohibited from representing out of town companies unless all affiliated companies meet those specifications. Another contemplated change would prohibit such recent appointments as that of a Brooklyn agency as head New York City representative of a group of companies and the prospective appointment of a New York branch manager as head agent for one of a fleet of companies.

A change in the rules as to electrical apparatus clauses was also under consideration.

of one share of Great Lakes for two shares of Public Indemnity stock.

Mr. Knox will be a vice-president of the Public Fire. He said that the Chicago organization of the Great Lakes will be maintained to supervise the central western business and to operate the Great Lakes Underwriters, which will be formed to continue the Great Lakes present agency plant.

Bid for Aero Companies

The Aero Underwriters Corporation, which is the holding company of the Aero Indemnity, Aero Insurance Company, Aero Engineering & Advisory Service and Barber & Baldwin of New York, has received a bid of \$12.50 a share for the capital on the condition that 72,000 shares be tendered at a price of \$12.50 a share. As of June 30, Barber & Baldwin estimate the liquidating value at \$20.93 and as of Oct. 15, \$16.05.

Notables at Lincoln Dinner

First Trust Company Host in Nebraska to Many Eastern Company Executives

LINCOLN, NEB., Nov. 11.—The First Trust Company was host to many insurance men and representatives of banking and bonding houses with whom it does business, at which hard times were stressed. Invitations were in red ink on yellow scratch paper, and responses were on cardboard, wrapping paper and paper towels. A red tablecloth completed the picture. Out of state insurance men present included: Aetna, Guy Beardsley, vice-president, Hartford, and E. L. Vaughan, agency supervisor, Chicago; Home of New York—J. A. Campbell, vice-president; C. A. Ludlum, former vice-president, New York, and E. V. McKarahan, agency supervisor, Chicago; Globe Indemnity—E. J. Schofield, vice-president, New York; A. B. Ross, inspector, and Martin Doyle, auditor, Kansas City; Phoenix—G. W. Holton, secretary, Hartford; W. G. Curry, state agent, Kansas City, and N. W. Cady, Minneapolis; North America—Sheldon Catlin, vice-president, Philadelphia; H. A. Miller, assistant manager, Chicago; New York Underwriters—R. L. Tanner, secretary, New York; J. M. Clark, special agent, and S. C. Shotwell, marine manager, Chicago; M. H. Grannatt, manager, Liverpool & London & Globe, New York; A. D. Yeaton, western general agent, New Hampshire, Chicago, and O. C. Gleiser, secretary, American Central, St. Louis.

NEWS OF THE COMPANIES

Yorkshire Gives Guaranty

Policies of Western National, San Antonio, Have Protection of Strong English Group

The Western National Fire of San Antonio has effected an arrangement whereby all of its outstanding policies and all future policies to be issued are guaranteed by the Yorkshire group. Western National agents have been furnished with a rubber stamp with which to inscribe all policies: "Payment of loss or damage under this policy guaranteed by the Yorkshire Insurance Company, 90 John Street, New York, N. Y."

"This step was taken in line with present business conditions," Eugene Branshaw, secretary Western National, states in a message to agents, "and to meet the demand of both the agent and the assured for absolutely unquestionable insurance protection. The guarantee of the Yorkshire on Western National policies will make them acceptable to all mortgage companies and will promptly silence all criticism of this company on account of its size."

"The Yorkshire group has American assets in excess of \$10,000,000 and the Western National will now enjoy the full facilities of this powerful fleet."

"There will be no change in the man-

agement or directorate of the Western National. No other company owns any of its stock and it will continue to operate as an independent Texas company."

H. T. Drake on Leave

ST. PAUL, Nov. 11.—H. T. Drake, assistant secretary in charge of the marine department of the St. Paul Fire & Marine, has been granted a leave of absence of two and a half months. His place is being filled by Archie Jackson.

The following changes have been made in the territories covered by examiners in the marine department: T. P. Moberg takes on Ohio, Larry Overman gets Illinois, Indiana and western Canada and C. W. Washick, Michigan.

Merger Plans Progressing

More than 40,000 shares of the outstanding 50,000 shares of the Great Lakes of Chicago, have been deposited in accordance with the plans for merger with the Public Fire of New Jersey, according to J. W. Knox, vice-president of the Great Lakes. Consolidation will be completed within a few days, Mr. Knox announced.

Most of the Great Lakes shareholders have taken the option of \$10 in cash and one share of stock in the Public Indemnity for each share of Great Lakes stock. The second option is for an exchange

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RICHMOND

E. W. Hartley Returning to Chicago for the L. & L. & G.

NEW YORK, Nov. 11.—E. W. Hartley, who has been agency superintendent for the western department of the Liverpool & London & Globe group, with headquarters in this city, will on Nov. 15 assume a like connection at the Chicago office, succeeding the late C. J. Graf.

Mr. Hartley has been with the L. & L. & G. for over 25 years and is widely known throughout the middle west. Until the removal of the western department of the company to this city several years ago he was domiciled in Chicago, working under the direction of H. T. Cartledge, then western manager and now assistant United States manager for the associated companies.

Froggatt & Co. Is Opening Los Angeles Branch Office

NEW YORK, Nov. 11.—In keeping with its policy of establishing branch offices at all important insurance centers throughout the country to afford service to its steadily growing clientele, Joseph Froggatt & Co. of this city, consulting actuaries and auditors, has opened a branch in Los Angeles. This is in addition to the offices already maintained in Boston, Newark, Philadelphia, New Orleans, Chicago and San Francisco.

A thoroughly equipped insurance accountant, Mr. Froggatt in the years in which he has conducted this service organization, has trained a corps of workers who know the needs of insurance companies and how these can best be met.

Takes Issue With F. L. Erion on Ban

(CONTINUED FROM PAGE 5)

the plan of appointing one man as the adjuster to conduct the negotiations and report to the committee.

The idea of an adjustment bureau to represent the various companies interested originated in Chicago in 1885 with the formation of the Western Adjustment, he related. This organization, he said, has resulted in maintaining satisfactory relations between the companies and their agents as well as between the agents and assureds and the Western Adjustment has developed into an organization with 80 branches operating in 13 states with more than 300 adjusters.

Last Year's Record

Last year, he said, the Western Adjustment handled nearly 125,000 claims and authorized payment of about \$75,000,000 in losses.

As the value of the Western Adjustment became evident, several adjustment bureaus were formed. He mentioned the General Adjustment Bureau in the northeastern states, the Southern Adjustment Bureau in the southeast, Texas Adjustment Bureau, Pacific Coast Adjustment Bureau and Underwriters Adjusting. Now has come the Fire Companies Adjustment Bureau, formed under the direction of the National Board, which has established branches in several locations not served by the other bureaus. It has also assumed direction of several of the regional bureaus.

Mehagan Tells Origin

Mr. Mehagan told of the origin of the Cook County Loss Adjustment Bureau, formed in Chicago in 1925, to supervise all loss adjustments in Cook county. Before the Cook county bureau was organized, Mr. Mehagan recalled that nearly every large agency in Chicago had its own adjusters and the competition became intolerable.

Mr. Mehagan described the steps involved in the average adjustment. First, the adjuster must carefully inspect the loss. Then he must confer with the

assured as to protection of property from further damage. The next step is the examination and listing of all policies, noting the form of coverage and any endorsement. Investigation of the cause of the fire and inquiry as to the assured's record and reputation follows. Then the adjuster must determine definitely whether the company is liable. The last step is to negotiate the adjustment with the assured and complete the proof of loss.

The procedure of adjustment varies according to the class of loss—whether buildings, contents or personal property or business interruption. Losses involving any kind of personal property, he

said, should be very carefully examined as early as possible. Impressions gained before this property is moved are usually valuable, he said.

One of the most difficult features of a loss adjustment is determination of the cause of the fire. The most difficult cases are where the property is entirely destroyed. It is then that business tendencies must be examined and accounts audited. Since the National Board gets a report of every fire, it is important for statistical and future underwriting analysis that the cause of fires be determined or a probable theory of origin given. In determining definitely whether the company is liable, it is important

for the adjuster to investigate ownership and he must have something of a knowledge of the law to know about mortgagee's rights, breaches of contract and assignments. Among the troublesome questions which arise are friendly and hostile fires and subrogation.

Tornadoes, which leave wide areas of destruction, test the ability of adjustment bureaus which have always responded well. Large groups of trained men have been assembled at the point of disaster almost over night. Adjustment of automobile and aircraft losses has developed a specialized type of adjuster and the adjusters must be acquainted with many side lines, such as

To the Agent who would like to make more money NOW!

HE'S just an average agent. Full of energy and courage, but he doesn't know what to do next. He has the feel for insurance. He has made the decision that insurance is his line. He has affiliated himself with a few companies. He has made contacts, has written some business, but his future is still unknown, his success still to be achieved, his goal still to be reached.

To this agent we say—you need a plan to make more money. You need the co-operation of a company which not only believes in helping agents help themselves, but also helping them to do it in a practical, economical way in keeping with those whose incomes have not risen to glorious figures.

There is no question but that business executives, home owners, automobile owners and others in your locality need insurance. They need dependable insurance.

The Boston Insurance Company and the Old Colony Insurance Company have a plan for selling dependable insurance by dependable agents. These agents are above the average in imagination, willingness to serve and desire to get ahead.

If you are one of them—if you would like to start to earn more money now, we would like the privilege of sending a booklet entitled "Making More Money." It contains our basic plan for successful insurance selling.

This plan has been proven by many agents. Their experience has been utilized, their results checked.

We simply have not space here to tell you the details of this plan. But the booklet costs you nothing if you will write for it. It is yours to do with it what you will. But we hope that you will go ahead as have many of those who have already received it. If this interests you—if you would like to make more money now, send for this book today.

Boston Insurance Company,
Old Colony Insurance Company,
Desk C, 87 Kilby Street, Boston, Mass.

Send me "Making More Money" which I may keep without charge.

Name

Street

City State

THE NATIONAL UNDERWRITER

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C. M. CARTWRIGHT, Managing Editor
LEVERING CARTWRIGHT, Asst. Managing Editor
FRANK A. POST, Associate Editor
CHARLES D. SPENCER, Associate Editor
DALE R. SCHILLING, Associate Editor

PUBLICATION OFFICE, 1946 Insurance Exchange, CHICAGO. Telephone Wabash 2704
CINCINNATI OFFICE, 420 E. Fourth St., Telephone Main 5781, RALPH E. RICHMAN, Manager
ABNER THORP, JR., Director Life Insurance Service Dept.

NEW YORK OFFICE
803-123 William St., Tel. Beekman 3-3958
GEORGE A. WATSON, Associate Editor

DETROIT OFFICE
1015 Transportation Bldg., Tel. Randolph 3994
A. J. EDWARDS, Resident Manager

SOUTHEASTERN OFFICE—ATLANTA, GA.
204 Atlanta National Bank Building
W. J. BATH, Resident Manager

NEW ENGLAND OFFICE
139 Summer St., Weymouth, Mass., Tel. Wey. 2158-R
J. M. DEMPSEY, Resident Manager

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Associated
Business Papers



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Effect of Change in Attitude

THE change in underwriting attitude whereby more careful selection is being given undoubtedly will mean a change in sentiment of many agents toward their own business. Unfortunately during the last few years many good agents have been "spoiled." They have been lured away by the temptation of extra commission, additional emoluments, more liberal allowances and extras of various kinds. As the days went on agents found that it was impossible for new and untried companies to follow a road that experience had shown from time to time to lead to failure. There was no great Moses to take these institutions out of the wilderness. There was only one thing for them to do, either quit while they had a chance or go into the hands of a receiver when they became too badly impaired. If they saw the folly of their ways before it was too late and swung to a course that time had proved to be correct, they could rehabilitate their fortunes.

Some companies therefore departed far from the beaten path and found themselves in great difficulties. Many older companies in order to protect their business deviated from practices that they had followed and knew to be fundamental. However, they did not lose all their conservatism or good sense. They soon were able to swing back to methods that they knew were correct.

Just as a town or section is badly af-

ected by an abnormal boom so agencies have been jolted by this orgy of irrational underwriting and field practice. Offices that were conducted along substantial lines were thrown out of plumb. They listened too much to the siren song. They speculated too heavily in what might be well called a bear insurance market. They took too long chances.

Now companies are going through the sifting process, are studying agencies and are carefully scrutinizing their loss experience. It takes real courage to discontinue an agency at a time when immediate determination should be made rather than wait until the company has suffered severely.

A company executive remarked the other day that when an agency shows a consistent high claim frequency and loss record for three years there is something radically wrong. Either the agent is not in contact with the right class of people or his business is not in good shape. In the face of the desire to maintain premium income many field men hesitate to use the ax when the beheading block should be brought into play.

An agency should study its own reputation. It cannot afford to be known as an office producing high loss ratios, one that is delinquent in paying balances, one that is careless in correspondence or one that is using high pressure methods.

Getting Into the Work

A PHILOSOPHER said the other day that "the fellow who looks on won't have a look in." The man who gets into the game himself as a participant, takes a

lively interest in it and becomes a real factor is the one who will reap the reward of satisfaction. Bleacher coaching never wins a game.

Need for Sublime Courage

WHEN a man takes disappointment with cheerfulness and goes ahead to do better and nobler things he will accomplish

his end. There is need today for great determination and sublime courage in every field.

PERSONAL SIDE OF BUSINESS

Funeral services were held Monday for **W. Hugh Hunter**, manager of the Texas department of the Commercial Union, who died suddenly of heart disease at his home in Dallas. He was 53 years of age.

Mr. Hunter started with Trezevant & Cochran and later became special agent of the Hartford Fire in Texas. He was the first manager of the Texas department of the Commercial Union, which was opened in 1921.

D. E. Monroe, assistant United States manager for the Commercial Union group, is making his annual trip through the western territory.

Wilbur F. Maring, Sr., long a local agent at Carthage, Mo., and father of the secretary of the Missouri agents association, Wilbur F. Maring, Jr., and Mrs. Maring celebrated their golden wedding anniversary Nov. 2 at their home in Carthage. Mr. Maring was appointed agent for the Fire Association at Schell City, Mo., in 1883. In 1908 and 1909 he was deputy insurance commissioner. He moved to Carthage in 1909. Although he is 76, Mr. Maring is still as active as ever.

The late **Julius R. Baker**, president of the Baker Insurance Agency of Fargo, first North Dakota legionnaire and first state commander, was among those specially honored at a rollick service of Fargo's first members of the American Legion, conducted on Armistice day by Gilbert C. Grafton post.

Norman I. Taylor, Burnside, Ky., last year's president of the Kentucky Association of Insurance Agents, has been elected treasurer of the Southern Egg & Poultry Shippers Association. In October he was elected first vice-president of the National Poultry, Butter & Egg Association. Mr. Taylor operates a large produce business at Burnside, in addition to his activities as banker, insurance agent, merchant, miller and politician.

P. K. Miller of P. K. Miller & Son, Jeffersonton, Ky., has received a silver medal from the Home of New York in recognition of 25 years of service for that company. Since 1924 Mr. Miller's son, L. T. Miller, has been a member of the agency.

Miss Margaret A. McReynolds, statistician of the Connecticut insurance department, died suddenly while acting in a play at the South Congregational Church in Hartford Friday night. Death was due to heart disease. Miss McReynolds had served under five insurance commissioners. After working part-time for the department, she joined the forces in 1901 and had since done much of the work of preparing the department's annual reports. She was the oldest member of the Connecticut department in point of service.

Edward O. Allen, for the past seven years special agent of the Fire Association in Minnesota, died last Sunday of pneumonia. The funeral was held in Minneapolis on Wednesday and Western Manager A. F. Powrie attended, representing the Fire Association. Mr. Allen was formerly in the banking business at Minneapolis. Mr. Allen was a brother of J. W. Olsen, superintendent of the western department of the Fireman's Fund, Mr. Olsen taking his stepfather's name. Mr. Allen was 37 and is survived by a wife and daughter.

A. M. Brown, Jr., vice-president of the general agency firm of Edward Brown & Sons, was elected supervisor of the city and county of San Francisco by the second largest vote polled by any of the 22 contestants for the six vacancies on the board. His notable show-

ing, in spite of the fact that this was his first dip into politics, is not considered remarkable, however, as ever since his cheer leader days at the University of California, where he graduated in 1919, he has been making a record for himself in public life. He was the organizer and first president of the junior chamber of commerce and is credited with much of the success achieved by San Francisco in bringing the navy dirigible base to Sunnyvale, on the outskirts of the city. He is now president of the Better Business Bureau of San Francisco and is serving as colonel in the community chest drive.

Robe Bird, Rockford, Ill., manager of the western department of the American of Newark, and E. S. Foltz, manager of the loss department of the western office, are recovering from injuries received last week when an automobile driven by the former crashed head-on into a large passenger bus near Elkhorn, Wis.

Mr. Bird was able to return to his duties soon after the accident, but Mr. Foltz, who was thrown through the windshield of the car and was unconscious for some time after the crash, will be confined to his bed under a nurse's care for several weeks.

They were on their way from Rockford to Milwaukee for an agents' conference when the accident occurred. According to Mr. Bird, the driver of the bus swerved directly into the path of his car, to avoid striking another machine parked on the highway without lights.

About 60 representatives of Michigan companies turned out for a testimonial banquet in Windsor, Ont., for Commissioner **C. D. Livingston** in recognition of his recent election as president of the National Convention of Insurance Commissioners. Mr. Livingston was presented with a completely outfitted traveling bag and brief case.

One of the suggestions made at the meeting was that the Michigan stock company executives form an organization. Among those who paid tribute to Mr. Livingston were J. A. Reynolds, president Detroit Life; H. B. Correll, deputy commissioner; W. G. Curtis, president National Casualty; T. G. Baillie, president Title Guaranty & Casualty; C. A. Reekie, vice-president Detroit Fire & Marine; W. T. Benallack, secretary Michigan Fire & Marine; Clarence Ayres, president American Life of Detroit; G. K. Marsh, president Detroit National Fire; J. H. Thom, vice-president Standard Accident.

L. T. Hands, vice-president Michigan Life, who was Mr. Livingston's predecessor as commissioner, was among those in attendance.

Grayson Dutton, San Francisco city manager of the Fireman's Fund, has resigned and been placed on the retired list as the result of impaired health. He has been with the company continuously for more than 40 years, since August, 1891, serving in numerous capacities in the office and field, and has been manager of the city department for the past 20 years. Mr. Dutton is a son of former President W. J. Dutton and has won recognition as a student of the business and a discriminating underwriter.

Percy W. Lord, manager of the city department of the Home Fire & Marine for the past 13 years, is being given the duties relinquished by Mr. Dutton, in addition to continuing his work for the Home Fire & Marine. It is planned to conduct the city business of both companies jointly from the head office building with the present staff.

The **Merriman, Ellis & Benton** agency, Kansas City, Kan., one of the oldest and largest agencies in that city, has moved to a new first floor location at 607 Minnesota avenue. The agency was formed 32 years ago.

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insurance except life*

North America facilities are now available in
the Philippines, Porto Rico, Mexico,
China and Great Britain

Assets of North America Companies are more than \$117,000,000.00

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

Criticize Auto Club Attitude

Agents Active in Ohio Fight Say Little Support Given by Companies—Claim Offense Best Defense

CINCINNATI, Nov. 11.—Many insurance agents in Ohio who were energetic in combating the entry of the automobile clubs into the insurance business have become somewhat lukewarm recently. They declare that they received no substantial encouragement from the companies. The companies, they declare, were perfectly willing to see the agents become very active and aggressive but were unwilling to take a single step in the direction of affording the agents any real aid. Some of these agents believe the most effective way to fight the automobile clubs is with an offensive weapon enabling the agents to offer something to the assured that would compete with the service the automobile club has to sell. In other words, these agents believe that the best defense is an offense. They recognize, however, that without unified agency support and without company interest, it would be virtually impossible to bring about an organization which could fight offensively in the direct field of the automobile clubs.

Moreover, the agents recite that the insurance issue now centers around the ruling that domestic insurance corporations are not subject to the licensing laws of the state. This, the agents say, is a matter of vital import to the companies foreign to the state, much more important than to the agents themselves. The agents feel that if necessity arises, they may always obtain all the protection needed for their clients from domestic companies.

The policy advocated by some, that the agent should try to prevent organization of automobile clubs affiliated with the American Automobile Association in cities where they are not now organized, as a preventive against the introduction of automobile club insurance, is condemned by those agents who believe the insurance business will never make progress by erecting defenses and then yielding gradually to the encroachment of the automobile clubs. They believe that the only plan which promises ultimate success is the use of methods which may be used to retake ground already lost.

Ohio Field Men's Meeting

The Ohio Association of Fire Underwriters held its regular monthly meeting Monday. A memorial resolution on the death of Ed L. Green of Cambridge was adopted. Election of officers will take place at the December meeting.

West Virginia Agencies Merge

WILLIAMSON, W. VA., Nov. 11.—The Tug River Insurance Agency and the Smith-Wheeler Company have merged as the Tug River Insurance Agency. G. W. Coffey is president; W. R. Duncan, first vice-president; A. R. Milby, executive vice-president and treasurer; Keith Wheeler, secretary; Robert Fryer, manager.

New Installment Premium Plan

CLEVELAND, Nov. 11.—A committee of the Insurance Board of Cleveland and representatives of the First Banc-credit Corporation have worked out a new plan and rate chart for members of the board which is greatly simplified. One of the principal features of the new plan is the substantial reductions on

down payments, the initial cash disbursement on annual policies being 20 percent now, with 10 percent on term policies. The total financing charge is worked out on a straight percentage of the total premium but there is a minimum charge of \$3 and in conjunction with term policies, a minimum monthly payment of \$5. New blanks are being prepared and will be ready for distribution to members of the Insurance Board in a day or two.

Lakewood Fire Chief Dies

Fire Chief Joseph Speddy, head of the Lakewood, O., fire department, which won first honors as the finest de-

partment in the United States for 1930, died there Nov. 8. He had been chief since 1912 and was a strong advocate of fire prevention, spending considerable time in educating children in the public schools.

Hold Two Ohio Inspections

Two inspections were held in Ohio this week by the Fire Prevention Association of Ohio. Westerville was inspected Monday and Fremont on Thursday.

James A. Tobin, 78 year old agent in Lancaster, O., dropped dead last week. He had been in the business for more than 50 years and was one of the oldest agents in the state. The agency is now to be operated by his son, E. O. Tobin.

The Ceell Williams Insurance Agency, Huntington, W. Va., has been incorporated by Ceell Williams, F. G. Williams and George Varnum.

Chairman of Board of Indiana Agents



CHRIS ZOERCHER, Tell City

Chris Zoercher of Tell City, Ind., who has been elected chairman of the board of directors of the Indiana Association of Insurance Agents, entered the insurance business in December, 1912, and has been active ever since. He became interested in the affairs of the Indiana association and has served on its committees for the last seven or eight years. For some three or four years he was on the board of directors of the Indiana Insurance Federation. He is president of the Hoosier Country Club and treasurer of the Evangelical church at Tell City.

that the appropriation had been changed from \$50,000 per annum to \$50,000 for the biennium.

There are persistent reports that, on account of this conflict between the language of the bill as engrossed and that of the house journal, the constitutionality of the law will be attacked, regardless of the opinion rendered by the attorney general holding it valid.

American of Newark Revamps Its Field Service in Indiana

In the plans formulated by the American of Newark for its Indiana field work it has centralized the supervision in the state. James A. Bawden, state agent, will have charge of the American group interests assisted by C. J. Richman continuing his present title as state agent, and C. R. Dobbins, special agent. L. D. McConnell, formerly Indiana farm state agent, has resigned to become an independent adjuster but will continue to look after much of the American's business in the state as his time will permit. State Agent Bawden will select assistants in the farm field to succeed Fred Miller, who recently resigned.

Farm Mutuals Hard Hit

LANSING, MICH., Nov. 11.—Farmers' mutuals, it appears from reports received from many parts of the state, are having a struggle for existence this year. Losses in many cases are setting new high records while the mutuals' members are less able to pay assessments than in days of greater rural prosperity. The low prices of farm products are, of course, contributing heavily to losses. The past week a special meeting of

CENTRAL WESTERN STATES

To Strengthen Federation

Plans Being Made to Bolster Up Illinois Organization in Anticipation of Hostile Legislation

The Insurance Federation of Illinois is already looking ahead to the 1933 session of the Illinois general assembly with a view to rebuilding its membership forces to meet what is expected to be an extremely difficult situation as regards insurance legislation.

With a Democratic administration entrenching itself in Chicago and a strong Democratic tendency downstate, a change to a Democratic state administration in 1932 is said not to be unlikely.

This will mean the need of a stronger organization on the part of the Illinois Federation for it will be necessary to establish new contacts. Present indications are that the insurance business will again find itself subjected to much legislation of an undesirable type.

Statewide Campaign Started

A statewide campaign for new members was started by the Federation on Nov. 5. W. W. Belson, field secretary of the Insurance Federation of America, has been detailed by that organization to assist in this drive, which has been launched in the southern part of the state. Mr. Belson was in East St. Louis and surrounding territory during the past week-end. The state has been divided into four main districts, and with the cooperation of members in the principal cities the campaign is expected to continue until the first of the year.

It is planned to strengthen the Illinois Federation's position through the establishment of a state board of federation councillors. A representative insurance man in each of the legislative districts will be designated a councillor, and will be charged with the duty of organizing his district for legislative work. Many changes among legislators are expected at the next election.

Commissions to Investigate

As the result of legislation enacted at the last session of the Illinois legislature, the insurance business finds itself concerned with the activities of two state investigating commissions now functioning. One commission composed of representatives from the department of labor and the state industrial commission is investigating the application of provisions of the Illinois workmen's compensation act and similar acts of other states in connection with occupational diseases. A report recommending legislation on this important subject will be made to the 1933 legislature. An-

other commission was created to study poverty and dependency in old age, and from this group are expected recommendations for old-age pension legislation. Legislative proposals for state controlled unemployment insurance are looked for, and reports to the Illinois Federation show that a movement in this direction has been started.

License Law Complications

Hanson Seeks Further Advice in View of Attorney-General's Opinion on Illinois Law

SPRINGFIELD, ILL., Nov. 11.—Enforcement of the enacted Illinois agents' qualification law is dependent, in measure at least, on a further opinion to be rendered by the attorney general at the request of Superintendent Hanson.

In recent opinion the attorney general held that, while the section making an appropriation for administering the act is null and void, this does not affect the validity of the act itself.

The opinion leaves the department in the position of having a perfectly good law on hand without any money for holding examinations or otherwise carrying out its provisions.

It had been suggested that the department might use part of the appropriation of \$25,000 made for carrying out the brokers' qualification act, which appropriation had not been questioned, but Superintendent Hanson vetoes this suggestion, saying that he will not use any fund the right to the use of which is open to doubt.

Seeks Further Advice

Mr. Hanson has now inquired of the attorney general whether it would be proper, for enforcement of the act, to use funds appropriated for the general maintenance of his department.

He also has submitted a list of the various appropriations made to his division so that the attorney general's office may indicate which, if any, legally could be used for the carrying out of the provisions of the bill.

Another question is whether the new qualification act repealed the old license law under which the state has received many hundreds of thousands of dollars through \$2 fees for the issuance of annual licenses to representatives of stock companies. Section 19 of the qualification statute provides that: "All laws and parts of laws in conflict with the provisions of this act are hereby repealed."

The present situation has arisen through failure of the bill as engrossed and signed by the governor to show

LOYALTY GROUP

TRUE OPTIMISM

True Optimism is Faith; Faith in Humanity; Faith in the Nation; Faith in its Institutions; Faith in Yourself; Faith in the Present; and Faith in the Future.

False Optimism is Hope based on Desire.

Pessimism is compounded of lack of Faith in all that True Optimism is founded upon, and is acknowledgment of unbelief in self, too often coupled with the wish to profit through the misfortunes of others.

History, that Just Judge of Humanity, reads the record and inexorably records the verdict.

The Verdict is, always has been, and always will be that True Optimism is justified and its results proven; that False Optimism cannot last because of its unsound foundation; and that Pessimism cannot prevail, but must ever fail because of its inherent untruth and viciousness.

History records that the world progressed, and was in every way better and more prosperous in the year 100 than in the year 1 A. D. History records that the world progressed, and was in every way better and more prosperous in the year 1000 than in the year 100 A. D. History records that the world progressed, and was in every way better and more prosperous in the year 1900 than in the year 1000 A. D. and History will continue to record the progress of the world, and this record will show the year 2000 in every way better and more prosperous than the year 1900 A. D. It is reasonable to believe, and it is wise to believe, and most people do believe that the year 1931 will be in every way better and more prosperous than the year 1930. Voice, therefore, your belief by word and act and aid it to come true in fullest measure.

Almost two thousand years ago a wise teacher and leader of men said:

"Now Faith is the substance of things hoped for, the evidence of things not seen".

Today Faith is as then. Today, as then, True Optimism is Faith. Thinking men must be and are True Optimists. That individuals have suffered misfortunes in the past and many have succumbed, and that individuals will suffer misfortunes in the future and more will succumb, cannot be denied, but such misfortunes, however hard for the individuals, are after all individual misfortunes and will not, in fact cannot stay the world march of progress and prosperity.

Do not be ashamed of your True Optimism, and do not be afraid to express it because you fear some pessimist may ridicule it and tell you that some day he will say "I told you so". Have courage and make known your True Optimism by voice and deed; make known your Faith in Humanity; make known your Faith in your Nation; make known your Faith in the Future; make known your Faith in Yourself; and make known your Faith that the tide has turned and that Prosperity has its hand stretched to knock at the door, and will surely enter if we but heed it, instead of harkening to cowardly fear.

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LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

directors of the Patrons Mutual Fire of Sanilac county was held to discuss negotiating a loan to meet the record-breaking losses. They considered a loan would be a better way to handle the situation than a special assessment, considering the heavy financial burden on the farmer members and the probable bad effect of an assessment in reducing the membership. The losses so far in 1931 have exceeded \$46,000, \$19,000 more than in any previous full year.

Laird Opens Own Agency

Glenn L. Laird, formerly manager of the insurance department of the Logansport Loan & Trust Company, Logansport, Ind., has established his own agency in that city.

Will Inspect Hillsdale, Mich.

Final plans for the inspection of Hillsdale, recently announced, were made at a session of the executive com-

mittee of the Michigan Fire Prevention Association in Detroit this week, and other routine business matters were disposed of.

Indiana Notes

G. H. Tomlinson, for many years an examiner in the Indiana insurance department, has resigned.

The Elgin Insurance Service of Indianapolis has been incorporated by B. K. Elgin, L. C. Loughry and J. H. Elgin.

The Yochum & Watson agency, Princeton, Ind., established in 1890, has purchased the insurance business of the Citizens Trust & Savings Bank of that city, which is being liquidated. Orville Land, formerly manager of the insurance department of the bank, has opened a local agency.

N. E. Hubbard, member of Hubbard-Dudley Co., Battle Creek, Mich., is the subject of widespread sympathy in the loss of his wife after an illness of several weeks. Mr. Hubbard has been in the insurance business in Battle Creek over 45 years.

STATES OF THE NORTHWEST

Launch Membership Campaign

Wisconsin Association of Insurance Agents Will Conduct Intensive Drive Throughout State

MILWAUKEE, Nov. 11.—Plans for "a real membership campaign" for the Wisconsin Association of Insurance Agents have been announced. The campaign follows the resolution of the local agents to lend their full cooperation to President W. B. Calhoun of the National association, by enlarging and strengthening their organization. At the convention here an appropriation was made so that the membership campaign might be carried on in an intensive manner throughout the entire field.

E. A. Piepenbrink, Milwaukee, has been appointed chairman of the committee, and a large group of agents from the metropolitan district and key cities in the state will work under his leadership. Milwaukee members are Ralph Martin, Kremer-Martin-Mueller Agency; Harold Smith, Harold Smith Agency; Charles Cormany, Cormany & Bird, and Theodore Johnson, R. R. Elsner Agency.

State members are to be chosen at a special meeting and further features of the campaign will be outlined. The general plan is to follow along the lines laid out by the New York association. President Fred J. Lewis and Secretary Joseph G. Grundle of the Wisconsin Association will give active assistance in furthering the project. Every city in the state is to be covered. The plan is regarded as of special importance coming at a time when agents are real-

izing the need of concerted effort in meeting underwriting problems.

Wisconsin Executive Committee

MILWAUKEE, Nov. 11.—W. J. Tucker of Beloit, chairman of the executive committee of the Wisconsin Association of Insurance Agents, has announced the personnel of that committee. It includes: Walter T. Greene, Greene Brothers & Hansen, Milwaukee; C. E. Estabrook, president North Wisconsin Agency, Rhinelander; E. E. Palmer, Antigo, and Mrs. Myrtle B. West, West-Nevitt Agency, Oshkosh. Members of the executive committee will take an active interest in the membership campaign which the association is opening.

Big Slump for Hail Fund

PIERRE, S. D., Nov. 11.—Commissioner Horswell's report on the business of the state hail fund reveals a decided falling off as compared with last year. The hail fund in 1931 carried \$4,613,940 in risks, with premium tax of \$209,440. Losses paid this year were \$81,604, compared with \$387,847 last year.

Cooperative Plan Approved

FOND DU LAC, WIS., Nov. 11.—Plans for a cooperative fire fighting system for 14 cities in the Fox River valley and vicinity have been tentatively approved by the city council here. A similar resolution was adopted by the Green Bay council three weeks ago.

Cities which would be included under the organization, projected by Fire Chief Ralph Drum of Green Bay, in addition

Aberdeen Speaker



C. L. MEHAGAN

C. L. Mehagan, general adjuster at Minneapolis for the Western Adjustment, delivered an interesting address before the annual meeting of the Insurers of South Dakota at Aberdeen this week. Mr. Mehagan defended the adjustment bureaus in declining to act for mutuals, as well as telling something of the history of adjustment practices.

to the two mentioned are DePere, Kaukauna, Appleton, Neenah, Menasha, Oshkosh, Sheboygan, Manitowoc, Two Rivers, Oconto and Menominee, Mich.

Milwaukee Board Committees

MILWAUKEE, Nov. 11.—Committees for the Milwaukee Board have been announced by President B. A. Lehnberg. Chairmen are: Conference, Fred J. Lewis; legislative, L. C. Hilgemann; public affairs, Walter T. Greene; fire prevention, Henry Eckstein; office, J. C. Brown; advertising, L. C. Hilgemann; county jurisdiction, Monroe Porth.

Enforce Valued Policy Law

PIERRE, S. D., Nov. 11.—Commissioner Horswell has issued a ruling in regard to the valued policy law of this state. "This department is in receipt of information from several sources that some fire companies are not settling total losses in accordance with the valued policy law," he says. "This department must insist upon strict compliance with the provisions of that law. Any failure on the part of any insurance company to comply therewith will be considered a violation of the statutes and

will subject the offending company to penalties provided by law."

Change Madison School Policies

MADISON, WIS., Nov. 11.—The Madison board of education has voted to change the fire insurance policies on school buildings to include the "city of Madison and board of education." Heretofore the policies were made out to the board only, but City Attorney Lewis held that title to the school property is in the name of the city.

The Wisconsin State Fire Prevention Association will inspect La Crosse in January.

Missouri Valley State News

Wichita Men Told of Plans

C. K. Foote Reports Project to Hold Six District Meetings of Agents in Kansas

WICHITA, KAN., Nov. 11.—Charles K. Foote of the Bitting & Foote agency reported on the annual meeting of the Kansas Association of Insurance Agents at the meeting of the Wichita Insurers last week and outlined many of the association's plans for the year. He announced that the state has been divided into 12 districts and that six district meetings would be held, each to be convenient for the members in two districts to attend. Dwight Smith reported on the handling of public insurance and the distribution of commissions. Secretary Schott in his report showed that the average cost to each agency was less than 35 percent of the commissions obtained from the public insurance handled by the board.

A. E. Smoll, vice-president, presided in the absence of Duane T. Stover, president.

Herdman, Bryan at Omaha

Commissioner Herdman of Nebraska and his chief, Governor Bryan, are to be guest speakers at a dinner the last week in November given by the insurance subdivision of the Omaha chamber of commerce to insurance men of that city and vicinity.

Commercial Union Lineup

Col. Sam F. Woolard, veteran state agent in Kansas for the American Central, wishes to correct a recent erroneous statement relative to the division of the Kansas field by the Commercial Union fleet. Mr. Woolard continues to repre-

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LOSSES PAID SINCE ORGANIZATION \$73,088,808

The HANOVER FIRE INSURANCE COMPANY of New York Charles W. Higley, Pres.

sent the American Central in the entire state and in addition is supervising the Commercial Union, Palatine, Commercial Union Assurance, California and Union Assurance in some 30 counties in the south central and southwestern part of the state. Lloyd B. Gaines represents all of the companies except the American Central in the rest of the state.

Insurance Chairman Reappointed

At the meeting of the Kansas Blue Goose in Wichita, W. G. Studebaker of Miller-Studebaker was reappointed chairman of the insurance committee and approval was voiced of the insurance plan of the grand nest. O. D. Butcher of the Hartford was appointed to head a committee to draw up a history of the Kansas pond.

Short talks were given by J. H. MacFarlane, secretary America Fore companies, Chicago; John Peterson, manager hail department Great American fleet; F. P. Britton, executive vice-president Preferred Risk Fire; W. M. Moore, Western Adjustment, and W. S. Gibbins of Van Arsdale & Osborne.

Kansas City Cats Meet

KANSAS CITY, MO., Nov. 11.—A golf tournament, dinner and initiation featured the Cats' Meow party here. Hoyt S. Nelson, vice-president Phister Insurance Agency, is president of the Cats here.

Kansas Committee Named

President Rosse Case of the Kansas Association of Insurance Agents has appointed committees for the coming year. The following are the chairmen:

Duane T. Stover, Wichita, membership; Edwin S. Nellis, Topeka, legislative; Harry Davis, Hutchinson, public relations; H. A. Blinn, Wichita, fire prevention; Cheney H. Prouty, Jr., Kansas City, public safety; C. G. Blakely, Jr., Topeka, local board, and Fred Swisher, Pratt, farm.

Kansas Blue Goose Luncheon

R. L. Dubois, special agent Southern Fire, was chairman of the Blue Goose luncheon Monday at Topeka. About 30 members were present. J. C. Laming, local agent at Tonganoxie, was a guest. N. K. Nelson of the Great American will be chairman next Monday.

Baker's "Stag" Nov. 14

The annual "stag" picnic and outing given by H. D. Baker of the Citizens Insurance Agency for the members of the Wichita Insurers has been announced for Nov. 14, "rain or shine." All offices will close so that Mr. Baker's guests can arrive at his summer home north of Wichita by 2 p. m. Assisting Mr. Baker will be Howard Snyder, Harold Sheppard, Duane T. Stover and his brother.

Missouri Notes

J. J. McGee of Thomas McGee & Sons, Kansas City, Mo., has been elected treasurer of the chamber of commerce.

Francis W. Barton, for four years vice-president of the Ely & Mann agency Kansas City, Mo., has been made vice-president of Shea & McCord.

Miss Emma Gustafson, for ten years a bookkeeper in the Fisher Co. agency, Red Oak, Ia., is now interested in the agency, which will in the future be known as the Fisher-Gustafson Company.

gin business with local agents in Texas. This means full commission to the agents, which is in line with the established policy of the general agency of George M. Easley & Co.

Dallas Women's Club Meets

DALLAS, Nov. 11.—The Insurance Women's Club of Dallas held its first fall meeting with a full attendance. This is the oldest organization of its kind in the southwest, having been in existence for 10 years.

Officers are: Blanche Bastien, Texas Insurance Bureau, president; Kate McAdams, Southwestern Adjustment Bureau, vice-president; Clara Kirkland, American of Newark, second vice-president; Mrs. Kleber Vincent, Texas Inspection Bureau, secretary; Laura Lotzenhiser, Liverpool & London & Globe, corresponding secretary; Ina Thomas, Thomas, Julian, Cochran & Carter, treasurer.

Many Teaching Fire Prevention

AUSTIN, TEX., Nov. 11.—Commissioner DeWeese reports that fire prevention is now being taught in the public schools of 680 Texas cities and towns. The commissioner says the teaching of fire prevention in the schools is one of

the most effective means of reducing the fire waste.

Gragg's New Lineup

P. E. Gragg, formerly a member of the Richey, Casey & Gragg agency, San Antonio, Tex., has associated with him his son, and the firm name is P. E. Gragg & Son. They represent the Bankers & Shippers, Philadelphia Fire & Marine, Industrial of Dallas and the Southern Old Line Life of Dallas.

Set Maximum Insurable Value

The Millsboro, Tex., city council has adopted an ordinance setting the maximum insurable value of all real property in the city on a basis established by the city engineer and the Sommers tax system. This ordinance was passed at the suggestion of the Millsboro Chamber of Commerce.

Texas Notes

Ben I. Simpson, southern manager of the North America, Atlanta, has been on a Texas trip.

Mrs. Ralph Hugo has taken her deceased husband's place in the Hugo, Walker & Co. agency, San Antonio, Tex., and will be active in the business.

Ray Powell has purchased the Meeks agency at Frederick, Okla.

STATES OF THE SOUTHWEST

Texas Cuts Tornado Rates

Reduction in Income of 30 Percent
Seen as Result of Department
Ukase

The new tornado rates promulgated by the Texas department will result in an estimated 30 percent reduction in premium income in Texas from tornado. The reduction will come about, according to fire insurance executives, not only because the rates are lower, but also because the use of coinsurance on certain large classes of risks is forbidden. Accordingly, a reduction in the amount of insurance carried is anticipated.

The old rates, which were devised by the companies, were based upon 50 percent mandatory coinsurance, with credits if higher percentages of coinsurance were carried.

The new state rates allow credits if coinsurance is carried, but coinsurance on dwellings and on stocks of merchandise of less than \$10,000 is forbidden. The rates for the inland territory are about the same, but those for the coast are generally 20 to 50 percent lower. As an example, the rate on dwellings in coast territory was formerly 60 cents, with 50 percent coinsurance, and now is 40 cents without coinsurance. Where coinsurance is not carried experience has shown that insurance of about 25 percent of the value is usually taken.

San Antonio Amendment Up

SAN ANTONIO, Nov. 11.—Amendment of the constitution and by-laws of the San Antonio Insurance Exchange is to be voted upon by the members with a view to eliminating this provision: "Where the operation of this article would deprive either the parent company or underwriters, operating separate departmental offices, of all representation, acceptance of the agency, under such circumstances, of said parent company or underwriters, as the case may be,

would not be construed to render a member ineligible." The elimination of this section will, it is believed by its advocates, clarify a situation which at times makes for confusion.

The Fenstermaker-Goddard Agency, because of unwillingness to comply with the exchange rule on part-time solicitors, has resigned its membership.

Hold Conference at Ardmore

A meeting of local agents at Ardmore, Okla., was held with John Wilkinson, Oklahoma representative of Trezevant & Cochran, and Frank C. Beazley of the Phoenix of Hartford, discussing insurance to value on dwelling house property. It was decided that all companies writing this type of business in Ardmore be requested to send a representative to the city to inspect the risks and existing business.

Vacant House Losses Increase

AUSTIN, TEX., Nov. 11.—Reports made to Commissioner DeWeese by fire marshals of 400 Texas cities and towns the first nine months of 1931 showed 589 vacant house fires, with loss of approximately \$510,885.

Reports from the fire marshals show, Commissioner DeWeese said, that a large number of the vacant house fires were of incendiary origin. It is evident, he added, that many Texas cities and towns will receive a bad fire record charge next year as result of vacant house fires this year.

Arranges for Reinsurance

George M. Easley of Dallas has returned from New York where he completed the final arrangements to reinsure the outstanding business of the Fire Protection Company of America except automobile.

It will be recalled that this company controlled under contract running for a number of years the insurance on a large number of sprinklered cotton gins. Mr. Easley now proposes to place this cotton

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Will Wightman
(field Correspondent)

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IN THE SOUTHERN STATES

All Set for Insurance Days

New Administration Trends, Selling and Credit to Feature Discussions—Many Notables to Attend

CHARLOTTE, N. C., Nov. 11.—New trends in insurance administration, selling and credits will occupy the attention of the 350 or more agents, managers and company officials who will attend the North Carolina Insurance Days here Nov. 17-18.

Both morning and afternoon business sessions and a banquet in the evening will feature the first day. Some of the outstanding figures to appear that day are Elbert Storer, Indianapolis, president National Association of Life Underwriters; Henry Swift Ives, special counsel Association of Surety & Casualty Executives; James L. Case, Norwich, Conn., past president National association of Insurance Agents; James A. Beha, general manager National Bureau of Surety & Casualty Underwriters, and E. C. Stone, United States manager Employers Liability. Mr. Case will discuss the credit limitation idea taken up at the National convention in Los Angeles.

Wednesday, with a morning discussion session and an executive session of the federation, will afford as leading figures Oliver Thurman, vice-president Mutual Benefit Life; Julian Price, president Jefferson Standard Life; Raymond Daniel, associate editor "Insurance Field," and T. Alfred Fleming, conservation supervisor National Board. An extensive program of golfing and amusements also have been arranged.

Iron Safe Clause Upheld

Violation of the iron safe clause, requiring books and records to be kept in a fireproof depository while business is not being conducted, is cause for denial of liability, Judge Cage in the civil district court at New Orleans has decided in the case of Sam Gershon against several insurance companies. Gershon suffered a loss in one of three stores. His inventories at the three locations were consolidated into one and the slips were destroyed.

At the trial the companies were successful in objecting to the introduction of the inventory on the ground that it was not an itemized inventory of the stock at the location which was burned, as required by the iron safe clause.

The judge said it is necessary that at some point an inventory be made so it may be known, item by item, just what the insurance contract covered. Public policy, he said, requires that the iron safe clause be rigidly enforced.

Rural Inspections Required

NEW ORLEANS, Nov. 11.—Buildings in rural districts must be carefully inspected whenever they are insured, according to a new ruling sent out by the Louisiana Rating & Fire Prevention Bureau. Heretofore one inspection during the life of a building had been sufficient, regardless of the number of policies issued on it. The step was taken as a result of large fire losses of the past few years.

Louisville Mercantile Rates Up

LOUISVILLE, Nov. 11.—The Kentucky Actuarial Bureau has notified all Louisville agents of a change in the base tables on mercantiles in this city. This change provides for an increase in brick from 40 to 42.5 and frame from 95 to 105. The contents tables remain as heretofore.

In mid-October the bureau also increased rates on all business property, tenth class unprotected, by what was said to be an average of 8 per cent.

Agents in Fleet Controversy

Alabama Association Employs Counsel to Aid Superintendent Greer in Dispute with Attorney-General

MONTGOMERY, ALA., Nov. 11.—The Alabama Association of Insurance Agents has taken a hand in the controversy between the insurance and the attorney-general's departments of Alabama over the legality of the Southern Bell Telephone Company's fictitious fleet plan for employees. The Alabama association has taken sides with Superintendent Greer, who has announced he will ignore the latest opinion of Attorney-General Knight, upholding the Southern Bell plan.

Brief Being Prepared

If the controversy develops into court litigation, Frank E. Spain, Birmingham attorney, will likely represent the views of Mr. Greer and the Alabama association. Mr. Spain is now engaged in writing a brief on behalf of the Alabama association to be presented to the attorney-general to show the illegality of his recent opinion. Mr. Spain was asked to write the opinion by Arthur Mead, president, and Sylvain Baum, legislative committee chairman of the Alabama association, following a visit to the attorney-general in which they asked to be allowed to present their views on the question.

The announcement with reference to Mr. Spain will make it unnecessary for Superintendent Greer to employ special counsel for his department in the event of a legal battle, as Mr. Spain will take care of all the proceedings. Mr. Greer, however, has remained hopeful that the attorney-general after studying the matter carefully, will, in the end, withdraw his latest opinion and make legal proceedings unnecessary, but Mr. Greer declares emphatically that he will stand by his fleet ruling of last spring which barred the Bell plan.

Talbott Kentucky Auditor

LOUISVILLE, Nov. 11.—J. Dan Talbott, Bardstown, Ky., was elected state auditor of Kentucky in the Democratic landslide Nov. 3. The auditor has the naming of the insurance commissioner and also the head of the state department of fire prevention and rates, the fire marshal's department being under the latter.

Mr. Talbott has not indicated who his choices will be for either of these offices. He has said that he would select outstanding men for the posts and remove them if they fail to deliver.

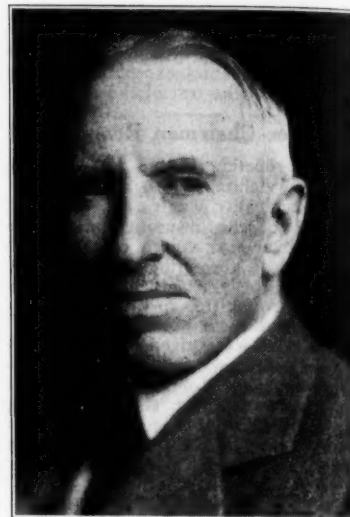
Boost Alabama Membership

BIRMINGHAM, Nov. 11.—A campaign to boost the membership to 400 by Feb. 1 will be inaugurated soon by the Alabama Association of Insurance Agents. Details are now being worked out by President Arthur Mead, Secretary Joe Ford and Assistant Secretary Enoch Morris, with the cooperation and assistance of Charles L. Gandy, chairman of the executive committee of the National association.

Delinquents will be urged to pay up and new members sought on the basis of association service and also as a token of support of Mr. Gandy and the National association. President Mead and Assistant Secretary Morris will likely visit all the leading agents in the state and inform them of the work of the association and particularly its success in defeating all unfavorable bills at the last session of the legislature.

For a number of years the Alabama association outranked all others in the

Knoxville Speaker



CHARLES R. STREET

Vice-President and Western Manager C. R. Street of the Great American group at Chicago was one of the leading speakers this week before the annual meeting of the Tennessee association of Insurance Agents at Knoxville. Mr. Street, always a penetrating analyst of times and conditions, made many interesting observations as to the present era in business and insurance.

south in membership, but is now excelled in numbers by one or two other states. An effort will be made to put it back in the forefront in numbers as well as activity.

Alabama Notes

Morris Baldwin, 43 years, Montgomery, Ala., agent, died of heart failure last week.

T. D. Copeland, who has been with Mead & Charles for five years, has opened his own business in the First National bank building, Montgomery, Ala., under the name of the Copeland Mortgage & Insurance Company.

Ragon, Cohn & Ragon and Davenport & Howell, Chattanooga, Tenn., have consolidated under the firm name of Davenport, Howell & Ragon.

News of Pacific Coast States

Percy H. Goodwin Is Honored

Principal Speaker at Annual Banquet of Long Beach (Cal.) Insurance Agents Association

Percy H. Goodwin, former president of the National Association of Insurance Agents, was the guest of honor and principal speaker at the annual banquet of the Long Beach (Cal.) Association of Insurance Agents Friday evening. He took up various details of the business, considered both from the agency and from the company viewpoint, including the new California qualification bill, the branch office system in its relation to direct writing, and the matter of fictitious fleets. A handsome fountain pen set was presented to Mr. Goodwin by A. T. Mosch, branch manager at Long Beach for Rule & Sons, on behalf of the Long Beach association.

Short talks were made by W. H. Menn, recently elected president of the Los Angeles Fire Insurance Exchange, and Eugene Battles, former president of

the California association of Insurance Agents.

Talks on Policy Forms

SAN FRANCISCO, Nov. 11.—H. B. Mariner, assistant manager of the George O. Hoadley office, addressed the associate members of the Fire Underwriters Association of the Pacific Nov. 10 on "Fire Insurance Policy Forms." J. I. Thomas, chairman of the educational committee, under whose guidance the lectures are being held, presided at the meeting, which was the seventh in the fall series.

Blue Goose Hears Stevens

SAN FRANCISCO, Nov. 11.—What the state fire marshal's office means to the public, how it functions and what are the main sources of its support, was explained in detail to the San Francisco Blue Goose by Jay W. Stevens, chief of the fire prevention bureau of the National Board and state fire marshal of California.

The meeting, which was the regular Monday luncheon of the pond, drew a record attendance. McClure Kelly, president of the Pacific Board, presided.

Washington Local Boards

A number of new local boards have been established in Washington. The Washington Insurance Agents' League is doing some good work along organization lines. Everett has a board of 14 members. Yakima has 11. Tacoma is soon to be organized and will affiliate with the state body. President C. B. White of the Seattle Insurance Exchange, together with Messrs. Briggs and Thieme, will visit Longview, Kelso, Chehalis, Centralia and Olympia to organize the agents. On the way they will take in Everett to encourage the agents there.

Render Service to City

DENVER, Nov. 11.—The joint committee of local and general and state agents, recently appointed to service the city of Denver on its insurance, is already functioning to the city's advantage. After the committee began its survey of the city's properties together with a check of the records it discovered \$10,000 insurance still in force on property which had been wrecked and removed in order to construct a golf course. A large saving in premiums for

the city was accomplished. The committee found that some of the buildings at the general hospital had been incorrectly described, and some of the property at the poor farm had been incorrectly classified for rating.

General Cover Discontinued

DENVER, Nov. 11.—General cover contracts have been discontinued under a ruling of the Mountain States Inspection Bureau. Hereafter all policies covering multiple location risks under reporting forms must be issued under either Form "A," monthly average or Form "B," monthly report on daily average forms. These forms are for use only when insuring intrastate business. Where an assured operates in more than one state a separate policy must be issued in each state.

Oregon Agents' Meeting

The Oregon Insurance Agents Union will meet in Eugene, Ore., Nov. 14. Among the speakers will be Alfred L. Merritt, vice-president America Fore group and president of the Oregon conference committee of the Pacific Board; H. P. Blanchard, vice-president of the conference; H. R. Burke and W. G. Rich.

Storment With Cravens, Dargan

A. M. Storment has been appointed special agent for Cravens, Dargan & Co. in the East Bay (Oakland) district. Mr. Storment was formerly in the brokerage and local agency business in Los Angeles and previously was with the Fidelity & Casualty as special agent, following his graduation from the University of California in 1923.

Coast Notes

The California Blue Goose held its annual dinner dance at the Deauville Beach Club, Santa Monica, with a large attendance.

W. A. Polk has been appointed vice-president of the Los Angeles insurance brokerage firm of Burris-Smith. He was formerly assistant vice-president of the Bank of America and has been in the banking business in Los Angeles for the past 14 years.

A. T. Reynolds has been appointed manager of the Hopkins Insurance Service, Los Angeles local agency, succeeding Theodore Castle, resigned. Mr. Reynolds was in the insurance business in Chicago for a number of years before locating in Los Angeles about a year ago.

EASTERN STATES ACTIVITIES

May Change Insurance Plan

New Jersey Board of Education Likely to Place Business with Agents or Brokers Where Property Is Located

NEWARK, Nov. 11.—Action will be taken by the state board of education at a special meeting in Trenton Nov. 14 on the readjustment of insurance methods for property of the department. The plan afoot is to appoint a state-wide broker to make a survey of the valuations and rates in policies now carried to ascertain whether either are too high.

It is alleged that insurance has been obtained for greater amounts than conditions warrant and that the rates were higher than those that could be obtained through another channel, the insurance having been placed through one firm in Paterson.

Brokers and agents in various parts of the state claim that they should be allowed to bid for the insurance on buildings in their territory. The board of education is in hearty accord with this suggestion and it is likely that it will be adopted.

The present policies will probably be

allowed to remain in force, as cancellation would mean additional expense to the state, but as they expire brokers and agents will be allowed to bid for the insurance.

The board has just let a contract for a new building at the teachers' college near Trenton, for more than \$225,000, and the insurance on this building will probably be placed with agents or brokers in that city.

May Rerate Elizabeth

NEWARK, Nov. 11.—The Schedule Rating Office of New Jersey has notified Mayor Kenah of Elizabeth that the fire protection facilities there will be surveyed in the near future, to determine the city's right to a new classification.

Fire protection facilities have been extended through relocation of fire houses, the installation of an improved alarm system and raising the morale of the fire department to an exceptionally high standard.

King Heads Life Department

Tongue, Brooks & Zimmerman, Baltimore, general agents Sun Life of America, have appointed James D. King life insurance department man-

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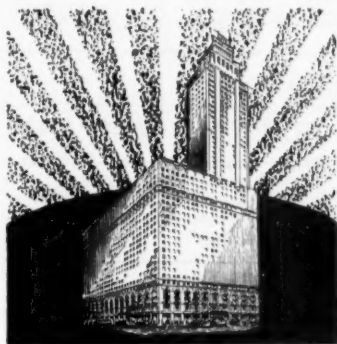
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ager. The appointment marks the first move in an expansion program in the life field. Mr. King was with F. A. Savage & Sons, general agent Union Mutual Life, and before that was connected with the Mutual Benefit of New Jersey.

Krog Goes to New York

W. E. Krog, supervisor of the general cover department of the Fireman's Fund, has been transferred from Boston to New York City.

W. J. Smith, prominent insurance man of East Orange, N. J., died there after an illness of four weeks.

New England News

Progress in Prevention Work

N. F. P. A. Reports Good Work Done in Four Eastern Cities in Eliminating Fire Hazards

Progress is reported by the National Fire Protection Association in eliminating certain hazards in several eastern cities. At Brockton, Mass., where a number of recommendations were made to the chamber of commerce last spring, several hazardous buildings have been removed. Additional salvage equipment has been provided and the basement of the high school is being equipped with automatic sprinklers.

An energetic campaign is being carried on at Bridgeport, Conn., to do away with a serious conflagration hazard resulting from several improperly located and protected oil storage plants. The fire prevention committee of the chamber of commerce, which was organized by field engineers of the N. F. P. A. a year ago, is in charge of this drive.

A proposal for sprinkler connection in the new rate schedule of the water company is being opposed vigorously at New Haven by the fire prevention committee of the chamber of commerce with co-operation of N. F. P. A. engineers. There has been no charge heretofore. Engineers spent a week in Glens Falls, N. Y., in August, at the request of the chamber of commerce, and a report outlining a fire prevention program is being prepared.

Committeeman



MAJ. FREDERICK HICKMAN

Maj. Frederick Hickman of Atlantic City, N. J., vice-president of the C. J. Adams Company agency, who becomes a member of the executive committee of the National Association of Insurance Agents, entered the insurance business in 1897 in connection with servicing the various agencies and branch offices with rate cards in Philadelphia. Three years later he became rate clerk with the Philadelphia Board. In 1903 he entered the service of the State of Pennsylvania as counterman. In 1908 he went to Atlantic City as manager of the insurance department of the C. J. Adams Company and later purchased an interest, becoming secretary and then vice-president. He was one of the charter members of the Fire Insurance Society of Philadelphia, organized in 1902. He served as president of the Atlantic City Insurance Club, secretary and president of the New Jersey Underwriters Association and is national councillor for New Jersey in the National association. He is now president of the city council of Ventnor. He has served as president of the Atlantic City chamber of commerce and is a member of the board of directors. He is a director of the Ventnor City National Bank, Fidelity Fire and Ludy Hotel Company.

than 300, the number of applicants for examination was the largest in the institute's history and the financial position had improved. The Toronto institute continues its affiliation with the Institute of Great Britain, while other Canadian institutes, in Montreal, Winnipeg and Vancouver, have joined with the Insurance Institute of America.

Figgins Winnipeg Manager

L. B. Figgins has been appointed branch manager at Winnipeg for the Merchants Casualty of Waterloo, Ont. Mr. Figgins succeeds Mr. V. Robinson, who has left for England.

Motor Insurance Events

Company Has Fine Record

Illinois National Casualty of Chicago in Spite of the Times Shows Splendid Progress

The Illinois National Casualty which has its home office at 540 North Michigan avenue, Chicago, is one of the companies that is making progress this year in spite of the times. President T. H. Reiter is one of the hardest working executives in the business. His hobby is the Illinois National Casualty. He has gathered about him a coterie of excellent people and they are all cooperating to build up a splendid institution. Mr. Reiter works on the theory that a company like the Illinois National Casualty can make a success on a selected business. Its loss experience has been quite favorable this year. It has earned 15 percent on its capital investment.

The company is progressive and is giving a good account of itself. It op-

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IN THE CANADIAN FIELD

Hold Canadian Auto Meeting

F. C. Browning Elected President of Underwriters Association at Annual Meeting in Toronto

TORONTO, Nov. 11.—The following officers were elected at the annual meeting of the Canadian Automobile Underwriters Association held here:

President, F. C. Browning, Montreal, Globe Indemnity; first vice-president, W. A. Thomson, Toronto, Norwich Union; second vice-president, A. Hurry, Montreal, Northern.

Executive committee, Montreal: E. E. Kenyon, Alliance; E. J. Kay, North British & Mercantile; J. H. Pidgeon, Provident; C. S. Malcolm, Royal Exchange; J. H. Labelle, Royal; J. J. Hart, Travelers Indemnity.

Executive committee, Toronto: H. W. Falconer, Dominion of Canada General; S. G. Reid, Employers Liability; T. H. Hall, General Accident; L. C. Evans, London & Lancashire Guarantee & Accident; C. E. Sword, Union of Canton; K. Thom, Western.

Vancouver Institute Elects

At the annual meeting of the Insurance Institute of Vancouver, B. C., these

officers were elected: President, H. J. Cave, Administration & Trust Co.; vice-president, W. Butchard, Dale & Co.; council, W. O. Banfield, Banfield, Black & Banfield; G. C. Hodge, Johnson & Higgins; W. J. Johnston, British Columbia Insurance Underwriters' Association; A. W. Blake, London & Lancashire; Seymour Johnston, A. E. Austin & Co.; W. Paradis and F. Gunther. G. L. Schetky was reelected secretary-treasurer.

Fitzhardinge in New Post

J. R. Fitzhardinge has been appointed manager of the Dominion Fire for the province of Quebec and also Quebec manager for Massie & Renwick, who operate the Northwestern National, National-Ben Franklin, Firemen's, Girard Fire & Marine and Ensign. Mr. Fitzhardinge has been assistant Canadian manager of the Queensland, with which he had been connected for 16 years.

Toronto Insurance Institute

TORONTO, Nov. 11.—In his address at the opening meeting of the Insurance Institute of Toronto, President W. H. Burgess pointed out that the past year, under the leadership of A. W. Goddard, the membership had increased by more

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ALL CASUALTY LINES

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Milwaukee Office Chicago Office
601 Guaranty Bldg. 966 Ins. Exch. Bldg.

erates in Illinois and Indiana, writing full cover automobile insurance with a simple form of contract. It conducts a branch office at Springfield, Ill., with C. H. Barr as vice-president and general manager. Mr. Barr was formerly manager of the Eastern Automobile Insurance Underwriters of Springfield, which the Illinois National Casualty took over. The Illinois National Casualty prides itself on its Illinois business and Illinois agency plant.

Reciprocal's Policyholders
Face Judgment for \$400,000

ST. LOUIS, Nov. 11.—Circuit Judge Ossing has granted default judgment against 6,500 policyholders of the defunct Federal Automobile Insurance Association, Indianapolis reciprocal. Judge Ossing was informed that the judgments will total about \$400,000 with interest.

None of the defendants appeared in court to resist the claims filed against them by R. H. Abeken, Missouri receiver for the reciprocal. Some of the policyholders had previously contended that there was nothing due as all assessments against them as subscribers were paid before the association failed in 1928. They are now learning through the circuit court that the only limitation of the liability of a purchaser of reciprocal insurance is his ability to pay should the concern blow up.

Seeks Assessment on Reciprocal

SAN FRANCISCO, Nov. 11.—Commissioner Mitchell has filed suit for the benefit of several hundred creditors of the defunct California Highway Indemnity Exchange, which was declared insolvent June 19, 1931. The suit seeks judicial declaration of the commissioner's right to assess thousands of individuals, firms and corporations, policyholders of the defunct reciprocal. This action is the first of the kind in California and will be watched with great interest.

Auto Association Sued

AUSTIN, TEX., Nov. 11.—Suit has been filed in the district court here by

Elected Chairman



THOMAS C. CHENEY, Morrisville, Vt.

Thomas C. Cheney, Morrisville, Vt., president of the Vermont Association of Insurance Agents last year, and one of the best known men in the state politically and socially, has been elected chairman of the New England advisory board consisting of all the state associations. His business is conducted under the name of the Cheney Agency.

Attorney General J. V. Allred against the North American Automobile Association, a California corporation with a permit to do business in Texas as an automobile club, seeking to forfeit its permit and enjoin it from doing business here.

The attorney general contends that it is not operating an automobile club, but is operating a business in the nature of an insurance business, contrary to law. He alleges it issues a pretentious certificate or policy purporting to render various services, which are of no value.

Finis Is Written at the
End of Glorious Chapter
(CONTINUED FROM PAGE 3)

ciation, living both in the west and in the east, we feel that we can but bow to the inevitable and forego the gatherings as of old.

"You of the Society of Life Members are familiar with our endeavor to use the association in the furtherance of public relations work and of the failure of these plans to materialize, so suffice it to say that at a meeting of the board of directors, held Sept. 28, 1931, action was taken whereby the decision of the board of July 25, 1930, was carried out and Treasurer Hogan turned over to me securities and cash in the amount of \$6,367.85.

Committee to Handle Funds

"At this meeting it was agreed unanimously, each and every director of the association voting in the affirmative, that these securities and moneys be placed by me either in a trust fund, or in a savings account, or in a long-time depository account, and if feasible the fund be allowed to grow until such time as a committee composed of John F. Stafford, T. M. Hogan, treasurer, and R. A. Buckman, chairman of the finance committee, who were given power on July 25, 1930, to withdraw the savings, deemed it expedient to assist in the financing of those of the Society of Life Members who may unfortunately be in dire need of help, the amount of money to be allotted to the member to be at the discretion of the three above mentioned committeemen.

"It was likewise agreed that in case

of the death of any one of the three members now empowered to withdraw the savings, or to have control of the moneys of the Fire Underwriters Association of the Northwest—the two remaining members be empowered to name a successor to the deceased member, that the work may be carried on.

Decision as to Funds

"It was felt that, in that the funds would have been speedily dissipated had we continued to pay salaries, and that in any event it would be absolutely impossible to distribute these remaining funds of the Fire Underwriters Association of the Northwest amongst all of those members of the association now living, or to the families of those now dead, the very best thing to do was to devote the use of these funds to the members of the Society of Life Members, to which organization eventually all present members of the Fire Underwriters Association will belong.

"With the passing of the years each and every one now associated with the Fire Underwriters Association of the Northwest will have belonged to that organization for a period of 25 years or more, and as some of the life members grow to advanced age they may possibly find themselves placed in a position where assistance would be very welcome, it was decided that this method of handling the funds would not only be perfectly agreeable to all members of the Fire Underwriters Association of the Northwest, but it would be acceptable to you of the Society of Life Members."

Do your fellow agent a good turn—get him acquainted with
The National Underwriter, the real insurance newspaper.



Davenport, Iowa.

E. E. SOENKE, Secretary and General Manager

Surplus to Policyholders
over \$1,000,000.00

BRUMMEL BROS., Cook County Managers

R. R. MITTELBUSHER
State Agent

AN AGENCY COMPANY

Service Since 1883

The National Underwriter

THIRTY-FIFTH YEAR
No. 46

CHICAGO, NEW YORK, CINCINNATI AND SAN FRANCISCO, THURSDAY, NOVEMBER 12, 1931
Office of Publication, 175 W. Jackson Boulevard, Chicago, Illinois

ILLINOIS LOCAL
AGENTS NUMBER

Membership Campaign in Illinois

Rockwood Hosmer Made President

Prominent Chicago Agent Now
Heads Illinois Association of
Insurance Agents

ELECT TROXELL CHAIRMAN

Strong Men Form the Cabinet in the
New Administration of the
State Body

Rockwood Hosmer of R. W. Hosmer & Co. of Chicago, was elected president of the Illinois Association of Insurance Agents at its annual meeting in Peoria. He served as chairman of the public relations committee last year and the year previous was chairman of the automobile committee. He has taken an active interest in the organization. Mr. Hosmer was disinclined to accept the position and kept the nomination committee on the anxious seat until just before the afternoon session. His brother, Philip B. Hosmer, is president of the Chicago Board, and it was a question whether the office could afford to contribute the services of another man to an organization.

Rockwood Hosmer is the son of the late Frank B. Hosmer, who was with the old Munger, Ebbert & Co. agency of Chicago for many years. The two uncles of the Hosmer brothers, R. W. and J. W., formed the bulwark of the

New Officers Elected

CHAIRMAN OF THE BOARD
R. W. Troxell, Springfield

PRESIDENT
Rockwood Hosmer, Chicago

FIRST VICE-PRESIDENT
Alvin S. Keys, Springfield

SECOND VICE-PRESIDENT
Frank J. Budelier, Rock Island

THIRD VICE-PRESIDENT
J. Edward Martin, Peoria

SECRETARY-TREASURER
S. E. Moisant, Kankakee

NATIONAL COUNCILLOR
R. W. Troxell, Springfield

COMMITTEE CHAIRMEN

Organization—Harry J. Leach, Morris, chairman; W. A. Schneider, Kankakee, vice-chairman. Grievance—A. J. Teninga, Roseland, Chicago. Legislative—J. M. Newburger, Chicago, chairman; George N. Wright, Aurora, vice-chairman. Fire Prevention—C. J. Montgomery, Rock Island. Farm—Mark I. Hall, Belvidere. Automobile—A. H. Mauerman, Jr., Danville. Public Relations—J. Raymond Lennon, Joliet.

old Hosmer agency. The third brother of the present Hosmer triumvirate is R. C. Hosmer, well known in the Illinois field and now manager of the Excelsior of Syracuse, N. Y. Rockwood Hosmer went to a preparatory school in the east. After a business career in another line, he went with the Hosmer agency 27 years ago. Those advancing Mr. Hosmer's qualifications for the presidency called attention to the fact that he has two grandchildren. This fact makes him sedate and dignified.

R. W. Troxell of Springfield retired

this year as president of the Illinois Association of Insurance Agents after serving for three years. He has made an ideal presiding officer. Genial, popular and easy on the floor he has been able to present some excellent programs. Located at Springfield at the state capital, he has done yeoman service in connection with legislation and insurance department service. His valuable contributions to the cause will be continued as he becomes chairman of the board and national councillor.

(CONTINUED ON PAGE 34)

Will Strengthen Ranks in Illinois

President Calhoun of National
Body Tells Association It Has
Fallen Down

HAS NOT MET ITS QUOTA

Agents Qualification Bill Held Valid in
Spite of the Voiding of Appropriation Section

The Illinois Association of Insurance Agents under the administration of President Rockwood Hosmer will have as its first objective the strengthening of the membership. Secretary S. E. Moisant in his report announced there are 381 members. A year ago there were 435. President W. B. Calhoun of the National association in his banquet talk said that Illinois had fallen down in the five-year development plan so far as membership is concerned. With the plans in view of the new administration he stated, however, that he believed Illinois would do the needful and contribute its share to the membership roll. The quota assigned to Illinois was 650 members. It may be difficult to attain this number but an effort will be made to do the trick.

Harry J. Leach of Morris, redoubtable chairman of the organization committee, appeared before the convention

(CONTINUED ON PAGE 36)



ROCKWOOD HOSMER, Chicago
Newly Elected President



ROBERT W. TROXELL, Springfield
Retiring President



ALVIN S. KEYS, Springfield
First Vice-President



SHIRLEY E. MOISANT, Kankakee
Secretary-Treasurer

Much Byplay on New Toastmaster

Hoax Was Perpetrated on the Banqueters by the Officials

QUIET LATER RESTORED

Number of Deputies Were Brought Into the Picture to Introduce Speakers

There was some fast play at the Illinois association banquet this year. The usual toastmaster, C. M. Cartwright of THE NATIONAL UNDERWRITER did not sit at the speakers' table. It was generally understood that he was to be dethroned. President R. W. Troxell opened the post-prandial exercises by saying that it had been decided to have a new toastmaster each year and to assign the post to one of the vice-presidents. He therefore introduced Second Vice-president A. J. Teninga of Roseland. As Mr. Teninga arose to start the proceedings J. M. Newburger of Chicago made a vigorous protest, stating that the toastmastership change had not been brought before the board. He branded it as irregular and said that he felt that an injustice had been done to the perennial toastmaster, J. A. Giberson of Alton emphatically supported the administration, saying that the time had come to have a new toastmaster.

Vote Was Unanimous for New Toastmaster

Secretary Moisant had quietly gone among the banqueters during the evening and told them all to vote against Mr. Cartwright. President Troxell then said that he was greatly embarrassed at the way the controversy had arisen and asked for a vote. Mr. Teninga received a unanimous affirmative vote. Mr. Troxell then handed the proceedings over to Mr. Cartwright telling him that he had been chosen for the place by this negative expression.

President Emmet C. May of the Peoria Life brought greetings from Peoria and then gave some interesting facts regarding life insurance growth. He said that it took 151 years for the life companies to develop the business in this country that they do now in one year. He said there is less litigation in insurance than in any other activity. Mr. May said that \$3,500,000,000 premiums are paid for life insurance every year. There is \$2,800,000,000 paid to

Two Vice-Presidents Named



FRANK J. BUCLIER, Rock Island
Second Vice-President



J. EDWARD MARTIN, Peoria,
Third Vice-President

beneficiaries and policyholders. One-half of this, he said, is paid to living policyholders.

United States Has Firm Faith in Insurance

He declared that the United States has faith in insurance. Life insurance has done its part, he said, in this day of depression. The confidence in insurance has grown and this will take insurance out of the depression in wonderful shape. These modern times, he said, have called for new functions from life insurance such as pensions for old age, unemployment benefits and disability. Insurance, he said, must keep up with the times and progress. He predicted that when the nation gets out of the slough of despond life insurance will be sold more than ever before. He said that 25 percent more business will be sold than in the most roseate times of the past. Last year there were \$18,000,000,000 of new insurance written. The new era, he said, will bring a real problem to life companies because there is danger in writing too much business. This will be one of the trying and vexing problems to meet. He predicted that \$3,000,000,000 will be paid out to beneficiaries and policyholders this year. Mr. May deprecated whispering campaigns being carried on against institutions. He said they are destructive. So far as salesmen are concerned he said that they go out in the morning expecting every man to say, "No" and hence they get nowhere.

The toastmaster from this time on appointed deputy toastmasters, each to

introduce a different speaker. T. E. Gallagher of Chicago, former western manager of the Aetna, introduced Jacob Wachenheimer of Peoria, who served two years as president of the Illinois association, and was one of the founders of the National body.

T. R. Weddell of the "Insurance Field," former editor of the Peoria "Transcript," introduced Seymour Oakley, editor of the Peoria "Star." Ernest Palmer, manager of the Chicago Board, introduced President W. B. Calhoun of the National Association of Insurance Agents. Mr. Calhoun said that insurance men and organizations were devoting much time to the reduction of fire waste and prevention of accidents. He sees a closer spirit of cooperation all along the line. He referred to the growth of local boards saying that they are almost essential to the stability of the business. He said that every state association should have a local board committee. He urged agents to support companies that support the principles of the agency association.

Says Membership Quota Should Be Secured

Mr. Calhoun said: "As you know, this is the fifth year of our five-year development plan so an increase in membership this year is very essential. The first four years of our membership campaign shows an increase of 35 percent with 15 percent to go before Aug. 31, 1932, in order to secure the 50 percent contemplated by the program adopted Sept. 1, 1927. Will the administration

(CONTINUED ON PAGE 35)

Stafford Makes Harmony Appeal

Western Head of Sun Says Co-operation Has Taken on New Meaning

BRIGHTER OMENS APPEAR

Welcomes Insurance Executives Association and Conference Machinery for Agents and Companies

A great call for harmony in the business was made by John F. Stafford, western manager of the Sun, in his address before the Illinois Association of Insurance Agents.

Cooperation, he said, has taken on a new meaning during the last year when all in the business have been confronted with so many tribulations.

"We have seen the folly of pulling apart," Mr. Stafford declared. "There was for many years rather an unfortunate handling of affairs between company executives and local agents. When it came to dealings between them there was too much bluff on both sides. Each side asked for twice what they expected to get, and, as a consequence, no one ever accepted the first proposition on its merits. I have often thought that we were really all close together, and yet were kept apart in a way by the veneer of fear and suspicion, but now these things are minimized and we have a lot more faith one in the other than we had in days gone by.

Should View Position of Each With Sympathy

"If we can see all sides to a question; if you can view our position and we yours with that sympathy and intelligence that we should, there is no reason why we cannot go arm in arm and thus be prepared for every emergency that arises. Then our ranks will be unbroken. We will present a solid front."

The work of agents, field men and managers should dovetail, according to Mr. Stafford. He suggested that out of this upheaval great good may come. There are already bright omens.

"One of the most satisfactory events of the last few months," he said, "has been the organization of the Insurance Executives Association composed of the heads of our great companies. This is a nation-wide organization and the National Association of Insurance Agents

(CONTINUED ON PAGE 32)

National Life Insurance Co., of the U. S. of A.
A. M. Johnson, Chairman of the Board

LIFE COVERAGE the answer to **YOUR** question of **INCREASING PREMIUM INCOME AND PROFITS**

A Fine Old Company for Ambitious Young Men

Established 1868

NATIONAL LIFE INSURANCE COMPANY OF THE UNITED STATES OF AMERICA

ROBERT D. LAY
President

WALTER E. WEBB
Executive Vice-President

29 South La Salle Street, Chicago

Wheel Horse



JAMES M. NEWBURGER, Chicago

J. M. Newburger, for two years president of the Illinois Association of Insurance Agents, and for the last year chairman of the board, becomes chairman of the very important legislative committee.

Hauske Tells About Method Used to Finance Insurance

A. B. Hauske, manager of the insurance finance division of the First Banc-credit Corporation, 120 South LaSalle street, Chicago, which finances insurance premiums for agents, said that when financing was first started it was largely confined to small automobile premiums. He said that now large premium payers are being serviced. Arrangements are being made with agents to take care of their clients on the installment plan. This, he said, is easing up insurance premium payments. Recently this finance company has reduced its charges.

Convention Committees Named

President Troxell appointed on the nominating committee W. A. Schneider of Kankakee, chairman; Allan I. Wolff and J. M. Newburger of Chicago; Lynn Clark, Decatur, and William Booth, Springfield. On the resolutions committee he appointed Ralph W. Miller, Conkling, Price & Webb, Chicago; L. M. Drake, Chicago; George North Taylor, Streator; L. A. Howes, Peoria, and J. C. Lanphier, Springfield.

Illinois Fire Officials Active

The officials of the Illinois Fire, which has its home office in Peoria, were very active during the Illinois convention. Henry F. Tuerk, secretary, who started with the company when he was a boy, was the chief host and presided over a luncheon party. At the banquet were President M. S. Cremer and Treasurer Adolph Cremer. The Cremers have been identified with the Illinois Fire since it started. H. J. Brummel of Chicago, who was a guest of the company, has represented the company since his agency was established in 1898.

President P. B. Hosmer of the Chicago Board drove down from Chicago to attend the convention. Ernest Palmer, general manager of the organization, as usual, was on hand.

W. A. Schneider of Kankakee, chairman of the grievance committee, stated that there had been only one complaint made to him and that was regarding a bank agency at DeKalb. When he asked for further information the agent did not reply so he dismissed the matter.

Year Memorable by Qualification Law

Cancellation of Catholic Church Policy Is Another Achievement

TROXELL VIEWS RECORD

Despite Decline in Membership, Illinois President Can Report a Constructive Administration

Despite a decrease in membership, President R. W. Troxell of the Illinois Association of Insurance Agents, was in a position to report important achievements during the year. Passage of the agents' qualification law was a feather in the cap of the administration. Between now and the effective date of the bill, which is March 1, 1932, Mr. Troxell advised that the association will mail to every member the necessary blanks to be completed with instructions as to how they are to be completed and returned to the insurance department.

Mr. Troxell said that for 20 years the Illinois agents have lobbied for a qualification law. The one that was passed, he said, protects the agent better than any bill that has ever before been presented. He quoted from a letter by J. H. Doyle, general counsel National Board, who said that the measure, "reflects the best drafting and the most careful consideration of any measure that has come before me for attention. It certainly is a splendid vehicle for the purposes intended and if, in its administration, the same care is given that was evidenced during its consideration by the legislature I doubt if it can be materially improved. I should like to see it adopted by the National association. It would reflect credit upon you men in Illinois who gave the subject that serious consideration which it deserved."

Expresses Appreciation of Assistance Given

Mr. Troxell expressed appreciation for the work in behalf of the law by C. J. Doyle, associate general counsel National Board; Ernest Palmer, manager Chicago Board; L. H. Lowe, director of the department of trade and commerce, Superintendent H. W. Hanson and members of the Brokers Association of Illinois.

Another accomplishment of the year was bringing about the cancellation by the National Union of the policy covering the church property in the Catholic diocese of Springfield. Mr. Troxell commended the Quincy Board for its work in ascertaining the name of the company cutting the rate and for bringing about the cancellation.

Mr. Troxell said that the new officers of the National Union, headed by John M. Thomas, deserved the respect of every member of the association. "They were not in command of the company at the time the insurance was written, but the minute they were advised by the Quincy Board that the policies were in existence and written at an incorrect rate, they lost no time in ordering cancellation. Our thanks go to the Quincy Board and to these officers for standing by the American agency system."

Mr. Troxell reported membership in the Illinois association at 385 as compared with 435 Sept. 1, 1927. Part of this decrease, he said, is chargeable to Chicago, but he declared that the Chicago agents are preparing to give the Illinois association support in membership and in finances.

THE building of harmonious and mutually helpful relationships among the insurance fraternity everywhere has always been an aim of this company. Our officers, all experienced underwriters, appreciate agency problems.

HAROLD M. O'BRIEN
President

FREDERICK O'BRIEN
Vice-President

ROBERT NEVINS
Secretary & Treasurer

GEO. E. HAAS
Secretary

CHICAGO FIRE AND MARINE INSURANCE CO.

223 West Jackson Blvd.

CHICAGO, ILLINOIS

HAVE YOU READ THE ASSOCIATION NEWS?

THE Association News, published at Kankakee, Ill., is an insurance publication that has attracted wide attention and has built up a large circulation. Hundreds of readers are interested in this sprightly publication which costs only fifty cents a year.

Association News deals with insurance activities and men in a different way than the regular papers. It injects the personal element into the business. Every reader of Association News picks it up as soon as it reaches his desk to see what has been said regarding men in the business with whom he is acquainted.

It is a member of the Audit Bureau of Circulations which authoritatively gives an accurate account of its circulation together with the classification of subscribers.

Wherever you go, you hear people talking about the Association News.

Put fifty cents in an envelope, send it to the publisher and your name will be enrolled among the immortals.

Put new life into your daily work by reading this spicy publication.

Shirley E. Moisant,
Editor and Publisher,
Kankakee, Illinois.

A STOCK COMPANY

UNITED STATES UNDERWRITERS COMPANY

Home Office:
JACKSONVILLE
ILLINOIS

AN ILLINOIS COMPANY
FOR ILLINOIS AGENTS

Full Coverage
Automobile Insurance

R. Y. ROWE, President W. D. KENNEDY, Secretary
J. V. KENNEDY
Vice-President, General Manager

Notice to Illinois Agents

Something different in casualty insurance methods

TO ASSIST YOU IN INCREASING YOUR
CASUALTY INSURANCE WRITING—LET US
PLACE OUR FACILITIES AND OUR EXPERIENCE
AT YOUR DISPOSAL.

MEEKER-MAGNER COMPANY

Insurance Exchange - Chicago

For over a quarter century, General Agents for

GENERAL ACCIDENT, FIRE & LIFE ASSURANCE CORPORATION

Established 1885

Surplus \$5,307,827

Accident, Health, Compensation,
Public Liability, Property Damage,
Automobile, Plate Glass, Burglary,
Theft, Robbery, Steam Boiler.

MEMBER OF ILLINOIS
ASSOCIATION OF
INSURANCE AGENTS

Speakers Make Excellent Points

Frank L. Erion Gave Agents
Some Suggestions in Loss
Adjustments

KEMPF HITS THE FLEETS

Henry Swift Ives and Charles E. Freeman
Were Listened to With
Keen Interest

There were four set speakers at the Illinois meeting, Frank L. Erion, Chicago adjuster; Charles E. Freeman, advertising manager of the Springfield Fire & Marine; Louis J. Kempf, manager of the Chicago branch office of the Travelers, and Henry Swift Ives, counsel Association of Casualty & Surety Executives.

Mr. Erion spoke to the agents on some of the practical features of loss adjustment, calling attention to the fact that losses are the most vital factor after all in insurance. He explained how the agents could use their good offices when losses occurred by friendly cooperation up and down the line. He said that from 10 to 15 percent of the agents always take the side of the assured, whether the latter is right or wrong. During the last 33 years he said 57 percent of the premium dollar has been paid out in losses. He upheld the selling cost of fire insurance, stating that the ratio of acquisition cost is not as great as in many other lines of business that are retailed. After losses and acquisition cost have been paid there is 12 cents out of the dollar left to companies to pay overhead and dividends. He said that no business is run with so little overhead as fire insurance.

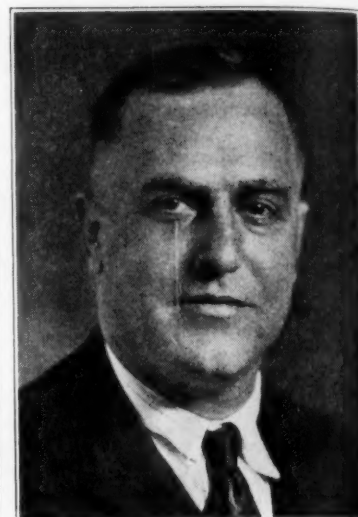
Small Losses Should Have More Careful Attention

Mr. Erion said that 75 percent of the losses are under \$100. He thinks it is a big mistake to send young and inexperienced adjusters out on these losses. From two to five years they should accompany the old adjusters. He said that too little attention is being paid to small losses. Adjusters, said Mr. Erion, see values while auditors only see figures. When insurance is sold right in the first place and the adjustment of losses is satisfactorily done, the loss ratio will go down.

Henry Swift Ives, special counsel of the Association of Casualty & Surety Executives in New York, spoke on "The Background of Insurance." He pictured the situation in villages in the golden 90's. Even then many of the modern conventions and customs had not been introduced. Perhaps some 20 billion dollars of fire insurance was at risk and six billion of life insurance in force. He spoke of the miraculous developments in the field of science in later years. As the result of discoveries there have been kaleidoscopic changes in the customs and habits of people. The institution of insurance he said has been a mighty factor in this amazing development. During this evolution he said the basic concept has given the right of the individual to work out his own economic and social salvation with as little interference by the state as may be compatible with well ordered liberty. These great results would not have been obtained had the various activities been socialized.

He said that the tremendous importance of private insurance never has been better illustrated than during the last two years. It has stood the shock of

Organizer



HARRY J. LEACH, Morris, III.

Harry J. Leach of Morris, chairman of the organization committee of the Illinois Association of Insurance Agents, is a hard worker and will have a big task ahead of him during the coming year in the attempt of his organization to build up its membership. However, he is untiring in his efforts and he will get results.

deflation better than any other enterprise. However much insurance has contributed to the welfare of mankind, Mr. Ives said it has been compelled to struggle harder than ever to protect not only itself but policyholders and dependents and to preserve its integrity as a privately conducted enterprise. Various attacks have been made on it in the legislature and high places. He said, "We who are engaged in the business owe it to our patrons to maintain the system unimpaired by the twin blights of bureaucracy and socialism and to protect its solvency and stability so that it always may function as a bulwark against a more drastic depression than has as yet been encountered."

Kempf Hit Hard at Improvised Fleets

L. J. Kempf, casualty manager of the Travelers at Chicago, dwelt particularly on the growing practice of granting fleet rates for automobiles where there is not a common ownership. He said that these improvised fleets are undermining the confidence of the buyer and the public as far as casualty insurance is concerned. He continued that these cut rate fleets are doing more to undermine the agents' business than any other factor. Mr. Kempf reviewed the situation in the automobile field, spoke of the deficit in workmen's compensation and then called attention to the growing personal accident loss ratio. He said that companies are still making a profit on plate glass, burglary, engine and machinery, automobile property damage, general property damage and these are not big premium producers.

Charles E. Freeman in his talk gave some practical suggestions to local agents as to advertising and publicity. Mr. Freeman is a native of Illinois, having been born at Lerna, near Charleston. He was educated in the schools of Charleston and then took the business course at Northwestern University. He became advertising manager for the America Fore companies until he took his present position. At the close of his address President Troxell said that he had given some very valuable advice to the agents.

H. C. Edmundson, superintendent of agents of the western department of the America Fore, is now a regular attendant at the Illinois conventions.

Good Advice by Freeman on Use of Advertising

Charles E. Freeman, superintendent of the business promotion department at the head office of the Springfield Fire & Marine, in his talk before the Illinois agents said that in this day of keen competition, planned action can succeed where miscellaneous, undirected effort will fail. He advocated selling a protection program rather than miscellaneous policies here and there. He gave these suggestions to agents:

"First, analyze yourself, your background, your ability. Analyze your market. Take up seriously a program of production involving salesmanship and advertising in its three phases, newspaper, direct mail and miscellaneous."

An agent, he said, should be acquainted with the tools in his kit. He should talk insurance intelligently in all its branches. He should know how much good business there is to be had in each locality, how much construction is going on, how much manufacturing, how much retail business. An agency might be writing 15 percent of the available business when it should write more.

So far as newspaper advertising is concerned, he said that it is expensive and hence an agent should have a definite program to get the greatest results. He should use so much space every week, twice a week or any other time. He said that an agent will find it politic to use all local papers and not show partiality. The greatest returns come when messages are tied up with local happenings such as accidents, disasters, fires, etc.

Direct mail advertising, he feels, opens the greatest avenue for increasing one's business. So far as novelties are concerned he doubts whether they compensate for the results gotten. Free gifts

will spread one's name and make an agency known. They are not business getters. Mr. Freeman advocated the use of window displays, changing them as often as possible. So far as sign boards are concerned he thinks that the results are doubtful and they are too expensive. So far as program advertising is concerned, he said it is not worth while but agents are often forced to use it in the way of donations.

There is a right way and a wrong way to use direct mail advertising, according to Mr. Freeman. Messages must be sent to the right people. There should be a correct mailing list and it must be kept up to date. Direct mail advertising, he declared, must be consistent. First, the mail list must be a live one. Secondly, one's efforts must

be consistent and continuous, mailings being made at stated intervals; next, sales letters and material enclosed must be pertinent, must be clearly and forcefully presented, and fourth, one must follow up his mailings immediately. It is far better, he said, to send 20 letters to prospects and follow through on those than send 100 and expect them to do the whole job of selling.

So far as selecting the coverages to sell by direct mail, he said that any line can be sold if one tells his story consistently and thoroughly. The main thing is to follow through. Publicity of this kind will fail unless it is done intelligently and followed up. Many of the companies, he declared, have advertising or business promotion men who will be very glad to help agents plan their advertising. Agents, he said, should take advantage of this advice and assistance.

In his parting message he said, "Make no little plans. Have a definite purpose. Develop a definite production program, whether large or small. Keep smiling and everlastingly at it and you will sell more insurance."

Former Illinoisan at the Peoria Meeting



CHARLES E. FREEMAN,
Springfield, Mass.

Charles E. Freeman, head of the business promotion department of the Springfield F. & M., spoke at the Illinois meeting. He is a native of the state, having been born at Lerna, near Charleston.

Thomas E. Gallagher of the Union League Club, Chicago, who some years ago retired as western manager of the Aetna, journeyed down to Peoria, first, as he announced, to attend the meeting and next to visit his old time local agent, Jacob Wachenheimer, now president of the Commercial Merchants National Bank & Trust Co., and a member of the firm of Callendar & Co., local agents at Peoria.

Report on Resolutions

Ralph W. Miller, superintendent of agents for Conkling, Price & Webb of Chicago, general agents London Guarantee & Accident, reported for the resolutions committee. The committee expressed the appreciation of the agents to Governor Emmerson, Director of Trade & Commerce Lowe, Insurance Superintendent H. W. Hanson, Alvin S. Keys, official Illinois liquidator, Senator H. C. Kessinger of Aurora, chairman senate insurance committee, and W. G. Thon of Chicago, chairman of the house insurance committee, for their active support of the qualifications bill. The Chicago brokers also were thanked for their cooperation.

The resolutions adopted by the Na-

tional Association of Insurance Agents at Los Angeles were approved. One resolution said: "This association appeals to the fire, casualty and surety companies for closer cooperation particularly as to the appointment of agents and enforcement of rules, rates and commissions in conformity with good practices. We recommend that the members confine their representation to companies conforming to such rules and practices."

A special resolution of appreciation was directed to Percy H. Goodwin, retiring president of the National association, and to W. B. Calhoun, the new president. To R. W. Troxell, the retiring Illinois president, a particular tribute was given for his fine work.

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We have been local agents for many years. We meet the same problems you do and our experience should be valuable to you.

We are General Agents in Illinois for both Fire and Casualty companies.

All the service you could possibly want in both fields, is available in one office by a well trained, successful organization.

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General Agents.
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The Company to Represent

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Vice-Pres. & Supt. of Agents

Farm Problems Are Difficult and Present Numerous Angles

Mark I. Hall of Belvidere, chairman of the farm committee, said there are many ills confronting this department of the business. It is difficult to prescribe a remedy. The companies, he said, complain of over insurance and in order to combat that have greatly reduced the coverage on buildings. The agricultural department at Washington has pointed to an increase in arson fires on the farms. He said that over payment of losses always breeds arson.

One of the difficulties confronting the farm insurance people today is the fact that the farmers have so little money. They find it almost impossible to pay their premiums. Mr. Hall suggested that a monthly premium payment plan might be evolved that would ease the situation. An additional instalment agreement therefore could be devised.

When notes come due many farmers find that the amount is too large for them to raise. The deductible plan is favored in some localities although he said many agents are opposed to it. In this case the premium would be reduced if a deductible clause could be employed eliminating liability for losses up to a certain amount, thus following the automobile insurance plan. This, he said, might be used in the larger risks and it would mean quite a saving in premiums.

Although the clouds are many, he sees better days. He said that the agents are more competent underwriters than they have been. The companies are more sympathetic. In a number of sections the three payment five-year policy is liked. There is no interest charged on this for deferred payments.

Stafford Makes Harmony Appeal

(CONTINUED FROM PAGE 28)

now has a conference committee to deal with its conference committee. The National Bureau of Casualty & Surety Underwriters and the Surety Association of America have appointed conference committees to deal with the agents' organization—and the day of real co-operation seems to me to have arrived."

Because the agent deals with the insurance buyer, his voice should be heard in the councils, but he should come to the council with clean hands.

Commissioners Should Exercise Great Care

This is a time when the insurance commissioners need to exercise the greatest care, he said, for insurance has stood as a great bulwark when other business structures have fallen. "It is," he said, "the one great human enterprise that holds the confidence of the people. While business concerns, banks, financial enterprises and institutions of all kinds have failed and people have lost millions thereby, insurance so far has been unscathed, and while its foundations have been shaken, it has stood solid in this terrifying hurricane of economic disaster. The man who shirks or attempts selfishly to play the game should be kicked out of the road."

Capital in the fire insurance business will continue to "wobble about seeking a more comfortable position until it finds it, or, in despair, quit the field for another," he said. "This means a continuance of mergers and reinsurances until the capital invested is brought into the proper relation to the premium income on which it must depend for its

profit. In seeking the best ways to earn the best returns, companies will withdraw from states where the volume or the laws or harassments make it seem inadvisable for them to remain."

Many agents, according to Mr. Stafford, are actual liabilities to a company. "As companies find they can get more satisfactory results from better agents, the tendency will be to reduce overgrown plants and to have field men devote their time to the cultivation of agents who are worth cultivating. Field supervision is expensive and cannot be wasted on agents who produce only poor business."

Mr. Stafford expressed sympathy for the qualification law which has been suggested by the National Board. He said that soon there will be two types of companies—organization and non-organization—and each will be true to type throughout the country and each will have agents of its own type exclusively. He urged the agents to join their local board and the National association. He said the business owes a great debt of gratitude to P. H. Goodwin, immediate past president of the National association, and expressed the belief that the association will attain even greater heights under W. B. Calhoun.

Safety Work in Madison County

J. A. Giberson of Alton said that in Madison county, where he resides, there is a county safety council. He is chairman of the local safety council in his city. These local safety councils, he said, are asking the presidents of the various civic and other organizations to serve on the committee. He looks for concrete results from this cooperative effort.

Some Convention Brevities

Albert Kahn, president New Century Casualty of Chicago, can be counted on to attend the Illinois meetings regularly.

Harry G. Casper, in charge of the western department of the Eagle Star & British Dominions and Lincoln Fire, a former resident of Peoria, when he was a local agent there, hobnobbed with old time friends.

Secretary E. M. Ackerman of the Illinois Insurance Federation introduced W. W. Belson of Milwaukee, editor of the "Federation News," to the convention people.

W. T. Funkhouser of Funkhouser-Smith, well known Springfield, Ill., general agents, who traveled in Illinois for many years for Crum & Forster, was prominent in the lobby activities.

C. J. Montgomery of Rock Island, chairman of the fire prevention committee, gave an enlightening report, mak-

ing a number of suggestions that might be employed throughout the state.

Allan I. Wolff of Chicago, national councillor, reviewed some of the high spots of the Los Angeles meeting.

A telegram of greetings and good wishes was read at the banquet from Percy S. W. Ramsden of Oakland, Cal., president of the California association.

Secretary E. E. Soenke of the Security Fire of Davenport attended the convention this year. He was met at Peoria by H. J. Brummel of Brummel Bros. of Chicago, who is vice-president of the Security. Special Agent R. R. Mittelbush, who recently took charge of the Illinois field, was present.

Allan I. Wolff and L. M. Drake of Chicago were appointed a committee to escort the newly elected president, Rockwood Hosmer, to the rostrum.

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Rockwood Hosmer Made President

(CONTINUED FROM PAGE 27)

J. M. Newburger of Chicago, who served as president for two years and since then has been chairman of the board, is one of the wheel horses in the organization. It now seems to be the established custom to make the past immediate president chairman of the board. Mr. Newburger, however, becomes chairman of the important legislative committee so that he will sit in the administration council. Allan I. Wolff of Chicago, who has been national councillor and filled the office with distinction, was recently appointed a member of the executive committee of the National Association of Insurance Agents. Inasmuch as the national councillor is the liaison officer between a state body and the National association it seemed desirable to have someone not directly connected with the national administration.

Schneider Will Sit in With the Official Family

W. A. Schneider of Kankakee, who has been first vice-president and whose work has been highly appreciated, will not be lost to the official family as he is made vice-chairman of the organization committee. Alvin S. Keys of Springfield, one of the leading local agents there and also official liquidator of the state insurance department, is put in as first vice-president with the thought in mind that when President Hosmer retires from office Mr. Keys will be elevated to that position. Mr. Keys devoted much time and energy to securing the passage of the agency qualification bill. Had it not been for his untiring effort the bill would not have been passed. The administration this year is well rounded. It was the general consensus of opinion that Mr. Troxell was the man for national councillor. He is well acquainted with the Illinois association activities and has attended the national meetings during his administration so that he is known to the national cabinet.

F. J. Budelier of Rock Island, who has been third vice-president, becomes second vice-president. J. Edward Martin of Callendar & Co. of Peoria starts up the line, being elected third vice-president. A. J. Teninga of Roseland, who has become one of the big men of the Illinois association, and who can always be depended upon to do his part

Peoria Speaker



EMMET C. MAY

Emmet C. May, president of the Peoria Life, who has been a constructive factor in his city, was a speaker at the banquet. He had much to do with the establishment of the Bank of Peoria, the Pere Marquette hotel and the Pere Marquette garage. He is a former president of the Creve Coeur club of Peoria. He is one of the leading life officials of the west.

of the work, is made chairman of the grievance committee.

Inasmuch as the Chicago local agents' association has been organized it is generally believed that the Illinois association will receive many accessions to its ranks from the big city. The Hosmer office has captured two important presidencies. P. B. Hosmer is president of the Chicago Board so that with Rockwood as president of the Illinois association the presidential machinery will be running in full blast. Rockwood Hosmer has been chairman of the public relations committee of the Illinois association and prior to that was chairman of the automobile committee.

The program of this year was of unusual interest. The new National association president, W. B. Calhoun, was present and sat on the rostrum with President Troxell during both sessions. He was introduced at the afternoon session and spoke at greater length at the banquet. At the opening of the morning session President Troxell read a telegram of greeting from Charles L. Gandy of Birmingham, Ala., chairman of the national executive committee.

W. B. Calhoun, National association president, at the business meeting said that this is a day of real cooperation between organized agents and companies. A new era, he said, is in prospect. Some companies he declared are doing a damage to the agency business by cut rates and indulging in improper practices. These companies he said should not be supported. Agents, he declared, owe something to their organization.

CONVENTION PICKUPS

Homer Caldwell of Peoria, state agent of the Springfield F. & M. group, gave a luncheon at the Creve Coeur Club to agents and special friends. Charles E. Freeman was present from the home office, he being the advertising manager, and spoke at the afternoon session. Assistant Manager E. G. Frazier and Stephen Goodman, manager of the special risk and automobile department, were present from the western office. Mr. Caldwell was assisted in entertaining by Special Agent Fred Ticknor.

* * *

Shirley Moisant in his report showed receipts for the year \$6,878 and expenditures \$6,868.

Banquet Speaker



JOHN F. STAFFORD, Chicago

John F. Stafford, western manager of the Sun, was one of the leading speakers at the banquet. Mr. Stafford recently appeared at Jefferson City, Mo., at the celebration of Missouri insurance day.

Much Byplay on New Toastmaster

(CONTINUED FROM PAGE 28)

be able to count on the Illinois association to help us go over the top?

"What are you doing in this state regarding our reciprocity in business campaign? Are you taking advantage of the information we are giving you as to the large insureds who are carrying stock company insurance? Remember that we ought to patronize those who patronize us. Let us not be backward in letting the world know that we believe in the type of coverage we are selling and to back up our fellow agents by action, which they tell us speaks louder than words.

Regards Company Classification as a Very Vital Subject

"Much has been said during the past year or so regarding the classification of companies. Those of us who are producers of insurance should favor those companies whose conduct of the business is along ethical lines, and who are not playing fast and loose with our fellow agents.

"One of the most unfortunate events in connection with our effort to preserve the American agency system that has happened in recent years was the direct contact established by the surety companies which underwrote the Hoover dam bond. The leading spirit in the handling of this matter appears to take the position that because no one agent rendered any service to this particular assured, therefore no commission should be allowed, although a number of the co-sureties on this bond have already paid a commission to their agents. Past President Goodwin has made the statement several times that a number of the agents did contact the individuals who formed the corporation that secured the Hoover dam contract so that in my opinion service was rendered and should be rewarded. The principle involved in

this matter as I see it is if the companies are going to contact the assured direct they are striking at the very foundation of the American agency system.

Many Unsolved Problems Are Before the Agents

"We have many unsolved problems and new ones will arise, but I believe that we can as members of our state and national bodies face the future with a feeling of confidence that with the machinery we have set up for conference with our fire, casualty and surety companies, and the feeling of willingness on the part of the organized companies to cooperate, we should be able to go hand in hand to greater achievements and better conditions for the conduct of the business we are engaged in.

"We are passing through the most trying time in the history of business, and I must say that the insurance men of this country have played their part well. We still have a hard row to hoe, but I am inclined to the thought that with the same spirit of cooperation that we have always shown and willingness to continue the hard work we have been doing, it won't be long before the sun will be shining through the clouds, and we will offer a prayer of thanksgiving that we have made a good fight, and it was worth while."

Director of Trade & Commerce Leo H. Lowe was present at the banquet and introduced. The new Illinois president, Rockwood Hosmer of Chicago, was presented. J. G. Yost of Baltimore, assistant secretary of the Fidelity & Deposit, introduced John F. Stafford, western manager of the Sun. J. M. Newburger, Chicago, as usual closed the banquet proceedings, he being introduced by Allan I. Wolff of Chicago.

J. G. Yost of Baltimore, assistant secretary of the Fidelity & Deposit, was accompanied by State Manager W. H. Hansmann. Mr. Yost was given a seat at the head table at the banquet.

Did Good Work



W. A. SCHNEIDER, Kankakee, Ill.

W. A. Schneider, who retires as second vice-president of the Illinois Association of Insurance Agents, has been a tower of strength to the organization. He will continue his energetic service on the organization committee, assisting Chairman Harry J. Leach. Inasmuch as the Illinois body expects to make the new membership campaign its chief feature, the organization committee will have a big task on its hands.

Addresses State Officials

C. E. Mendenhall of Peoria said that the Peoria Association of Insurance Agents had written the various insurance departments to ascertain their attitude toward Illinois reciprocals that

might apply for admission to their states. He had received a number of letters from the insurance commissioners, 20 in all, pointing out the conditions in their states, especially if a person from another state that carried insurance in an institution not licensed in the state which he was visiting. Stress was laid on the necessity of companies being licensed in a state especially where automobile insurance is carried. Mr. Mendenhall said that the association had also gotten the power of attorney used by the reciprocal of the Chicago Motor Club. The Peoria association is selling the reproduction of these letters from the state departments and the power of attorney for \$1 a set.

Peoria Local Committee

A number of members of the Peoria Association of Insurance Agents acted as reception committee headed by J. E. Martin, president, and H. R. Woodward, secretary. Others on the committee were H. B. Jamison, G. E. Mendenhall, L. A. Howse, W. A. Wittick, Howard Horstman, E. R. Iliff, Lyle Gift and Sage Kinney.

Mid-Year Meeting at Quincy

The Illinois Association of Insurance Agents is planning to hold a mid-year meeting at Quincy. Last year the meeting was held in Springfield. Seemingly the Illinois body has inaugurated this mid-year custom. At the Quincy meeting most of the time will be given to a round table forum and discussions of topics of interest to agents. Set addresses will be more or less eliminated.

Fred D. Heas, assistant western manager of the American of Newark, former resident of Peoria when he was state agent of the American, returned to visit old haunts.

J. W. Gregory, assistant manager for Crum & Forster in the west, was one of the prominent visitors.

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ILLINOIS

Will Strengthen Ranks in Illinois

(CONTINUED FROM PAGE 27)

with an extremely long cigar, which he announced had been given to him by Manager I. C. Faber of the Constitution Indemnity in Illinois. Mr. Leach asked all local agents to stand up. This they did. Then he requested a show of hands for volunteers to give one day or not more than three days' time in assisting visiting committees to get members in their localities. He suggested that these visiting committees organize local boards where none are in existence. It was stated later that organization men would visit various localities and would expect the resident members to introduce them to non-members.

Alvin Keys Reports on Agents Qualification Bill

Alvin S. Keys of Springfield, chairman of the legislative committee, made a report, he just having received the opinion from the attorney general's office on the status of the agents' qualification law passed by the last legislature. When the bill was introduced it provided an appropriation of \$50,000 per annum for the current biennium, making a total of \$100,000 a year during the two years. The words "per annum" were eliminated by amendment in the house, thus reducing the appropriation to one sum of \$50,000. A clerk failed to enter the amendment and the mistake was not noticed until the bill had been properly engrossed, passed through the various stations and been signed by the governor. The constitutionality of the act was raised because of this appropriation measure, viz., whether the amount was \$50,000 or \$100,000.

The attorney general's office holds that while the appropriation provision is invalid it does not involve the entire bill. Therefore the law is in effect with no appropriation to carry out provisions.

Expects Means to Be Devised to Carry Out New Law

Mr. Keys stated that undoubtedly the new president, Rockwood Hosmer, would take immediate steps to confer with the insurance department to see whether means could not be devised to have the bill go into effect on schedule March 1 of next year, and at least have it administered in a partial way. At the time of the next legislature an appropriation amendment can be furthered. Mr. Keys stated that many agents have been fearful lest the entire act might be involved by the invalidity of the appropriation section. The fact that the qualification bill will go into effect lifted a load of solicitude from the minds of those who have been so active in securing its passage.

Extract from the Opinion of the Attorney General

The assistant attorney general in giving the opinion says:

"In the premises, I have determined that section 21, making an appropriation for the purposes of administration of the act, is invalid. The title of the act states

Heads Committee



A. J. TENINGA, Roseland, Chicago

A. J. Teninga of Roseland, one of the leading Class 2 agents in Chicago, who has served as second vice-president of the Illinois association for the last two years, becomes chairman of the grievance committee. Mr. Teninga thus continues his seat in the official body. He is one of the stalwarts in the Illinois organization.

that an appropriation is made by the act. This makes the title broader than the act, and that part of the title as follows 'and making an appropriation therefor' may be regarded as surplusage since the constitutional prohibition against more than one subject in a bill is not directed against the title, but is directed against the act."

Mr. Keys in his report said that the Illinois association received strong support from the Illinois Brokers Association. At the last minute in the senate the Chicago Real Estate Board actively opposed the bill and sent a letter of protest to all senators. Mr. Keys, however, said that only one opposing vote was registered against it in the senate, which showed that the insurance men had wielded a great influence.

Illinois Farm Agents' Meeting

The Illinois Farm Insurance Agents Association will hold its annual meeting in Peoria in January. Perry J. Keck of Fairbury is secretary. The program committee consists of W. S. Garlough, Bloomington; C. A. Swarm, Decatur, and J. R. Marquiss, Monticello.

G. Z. Day in Chicago

George Z. Day, assistant general agent in this country for the Tokio Marine & Fire and the Standard of New York, has been in Chicago in conference with representatives there. He is on a circuit of the middle west.

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The National Underwriter

November 12, 1931

CASUALTY AND SURETY SECTION

Page Thirty-nine

Upward Revision of Fidelity Rates

Towner Bureau Takes Cognizance of the Excessive Loss Record

GENERAL SCHEDULES UP

Sharp Increases in Fidelity Schedule Bonds on Banks—Minor Classifications Changed

Extensive upward revision of fidelity rates has been made by the Towner Bureau.

The changes of greatest importance affect general fidelity schedules and fidelity schedule bonds on banks. The rate on bankers' blanket bonds was not changed at this time, inasmuch as increases had recently been made.

The rate for general fidelity schedules in amounts from \$30,000 to \$50,000 has been changed from 50 cents to 55 cents; in amounts from \$50,000 to \$100,000, from 40 cents to 44 cents; in amounts \$100,000 to \$500,000, from 30 cents to 33 cents; in amounts greater than \$500,000, from 25 cents to 27.5 cents.

Position Schedule Rates

Whereas position schedules and name schedules were previously written at the same rate, now, under the revision, the position schedule calls for a 100 percent increase over manual rate.

The rate on class A banks (capital \$25,000 and up) up to \$1,000,000 of aggregate liability, has been changed from 60 cents per hundred to \$1; for aggregate liability \$1,000,000-\$2,000,000, the rate has been advanced from 50 cents to 80 cents; from \$2,000,000 to \$5,000,000 aggregate liability, the rate has been raised from 40 cents to 60 cents; for aggregate liability \$5,000,000 to \$10,000,000, the rate goes up from 30 cents to 40 cents; for aggregate liability above \$10,000,000, the rate is the same—25 cents.

For class B banks the rate is \$2, being advanced from \$1.20. There are a number of changes in the rate for minor classifications, the rate for renting agents, for instance, being raised from 1 to 1½ percent and the rate for consignee's bonds also from 1 to 1½ percent.

Losses Excessive

The minimum premium has been changed in other classifications, the minimum premium on benevolent associations being raised from \$2.50 to \$5 although the rate remains at 25 cents.

Losses under fidelity covers have been excessive for several years past, largely as a result of the debacle in the financial market in the fall of 1929 and of the numerous defalcations by trusted employees disclosed thereby. So heavy were the claims paid by the fidelity companies that an advance in former rates was found to be imperative if the

Beha Reports Cost Rules

Explains and Gives Reasons for Differentials in Commissions in Communication to New York Department Submitted at Request of Van Schaick

NEW YORK, Nov. 11.—Complying with the request of Superintendent Van Schaick and the instructions of the conference on acquisition and field supervision cost for casualty insurance, J. A. Beha as chairman of the latter body, has filed with the department the rules of the conference, its plan of operation, together with a statement of the maximum rates of commissions payable to brokers and to the different classes of agents.

Recognizing that commission rates are part of the premiums charged for the different divisions of casualty insurance embraced in the rules, Mr. Beha offers that the acquisition cost conference "is an auxiliary rating organization under Section 140 of the New York insurance law" and the documents he submits are in keeping with that statute.

After mentioning the formation of the conference by stock companies in 1922, Mr. Beha gives its present company membership at 70. Holding that casualty rates must be both reasonable and adequate, he states the largest single element in the expense loading is acquisition cost and field supervision, hence the need for keeping the feature within proper bounds.

Gives Maximum Scale

Exhibit C presents maximum commissions allowable to "brokers, local agents and office agents." Following are the commissions granted regional agents, which exceed those of brokers by two and a half percent in consideration for the exercise of field supervision, while the third exhibit sets forth the maximum commissions allowed general agents. The final exhibit recites the allocation of general agents and regional agents by states, which quotas were established when the rules were originally drawn up.

Mr. Beha continues: "In the development of the casualty insurance business it was learned that the companies must be represented at strategic points in the different states, chosen partly on a basis of population and partly on the territory to be covered. Furthermore, a sufficient number of these points had to be named to enable the agent or branch office to serve as an actual unit of the company."

"The general agent and branch office administer the business as presented by the producer and it was not considered necessary to require them actually to produce business themselves. They pay the producer the basic acquisition cost

offices were to continue accepting fidelity coverages "with any expectation of reasonable profit."

In 1930 the stock companies received \$45,598,993 in premiums, a gain of \$2,600,000 over the previous year. Losses, however, increased during the period in greater ratio, many defalcations of 1929 not being unearthed until months later, when financial and business houses had opportunity thoroughly to audit their accounts.

and operate their offices on the margin of 5, 7½ or 10 percent as the case may be. In order that this margin may include enough money to cover the administration expenses incurred by the general agent or branch office, it was also necessary to make sure the premium volume going through those offices is adequate.

Cost of Supervision

"The differential between the producer's commission and the top cost was established to pay for the services of men experienced in the business who do not actually produce business but handle the application of the assured and see that the business is written on a proper basis. It is maintained that the general agents and branch offices save the home offices labor and expense because they must submit their business in its completed form.

"It, of course, follows that the smaller the number of general agents and branch offices, the lower the home office cost will be, so a balance had to be struck to permit proper development of the territory and at the same time limit the home office expense on the business to a minimum. For illustration: Under the rules business from New York state comes from 11 top cost points, but those 11 top cost points gather business in from thousands of producers.

"It can readily be seen that if those producers reported their business direct, the cost to the home office would be increased by at least the difference between the producer's rate of commission and the top cost allowance; probably more, because the producer hasn't the experience necessary nor is he sufficiently well informed to render the proper service to assureds and the companies would, therefore, have to provide specially trained men in the field to render the service given by general agents and branch offices.

Expense Too Great

"Furthermore, the producer who controls a limited premium income could not afford to qualify himself and actually perform the field supervision functions, such as inspections, policy writing, development of territory, special agency work, etc., on the volume of business which he controls. He can earn much more in striving for a larger volume at the producer's rate of commission, leaving the servicing of the business to general agents and branch office managers who are better equipped for that purpose.

"In addition to the state quotas, each company is allowed only one general agent and/or branch office (with a few exceptions which are named on page 10 of the rules) and one regional agent in any one city. This regulation is absolutely necessary. In the competition for business companies might set up their entire state quota in the largest produc-

(CONTINUED ON PAGE 42)

Bureau Deferring Accident Program

Volume of Details Causes Postponement of Standardization to March 1

MATTER LEFT OPTIONAL

Joint Committee of Personal A. & H. Underwriters Organization Says Jan. 1 Is Too Soon

NEW YORK, Nov. 11.—Concluding in view of the vast amount of work necessary to launch the new program of the Bureau of Personal Accident & Health Underwriters, that it would be physically impossible to complete the task by Jan. 1, as originally intended, the governing and underwriting committees at a joint meeting deferred the effective date until March 1.

Companies may, however, "put the program into effect at as early a date as they find expedient." It is pointed out, however, that it would be manifestly unfair to fix a date within which companies which by strenuous efforts were able to comply would find their agents facing competition from other member offices who were still using the old rates.

Explains the Delay

Detailing the reasons for postponing the effective date of the intended program, the joint committee recites that following the receipt of experience data from companies, considerable time was required by the statistical committee for analyzing the figures.

The preparation of the advisory policies next called for prolonged study by various committees, it being Oct. 19 before final forms were issued. Supplied with advisory policies and rates, companies would then have had to reprint numerous contracts, manual rate sheets and advertising leaflets, and give opportunity for field staffs to become acquainted with this material. It was considered that many offices would have been utterly unable to complete this preparation by Jan. 1.

Stress is laid by the committee on the fact that postponement of the effective date is not due to any loss of interest in the movement (which, on the contrary, has increased) but solely to the physical difficulties involved.

Companies are urged to acquaint their field forces with the new movement at an early date, and are further requested to submit to the bureau copies of their policies within the next six weeks; particularly any forms containing provision that may require special rating by the statistical committee.

A further advantage of early action is that insurance departments are able just now to pass upon new policies with a minimum of delay. George Goodwin of the Connecticut General Life is chairman of the bureau's governing committee.

Casualty Actuarial Society Will Hold Annual Meeting

STEWART LA MONT TO SPEAK

Subjects that Will Come Up for Discussion on Part of Members This Week

NEW YORK, Nov. 11.—The program announced for the annual meeting of the Casualty Actuarial Society here Nov. 13 is most timely. In addition to the president's address, the subjects slated for consideration are:

- I. Unemployment insurance:
 - (a) Would it mitigate technological unemployment?
 - (b) Could it be made to take up the slack caused by uneven distribution of "barter power?"
 - (c) To what extent may the experience of foreign countries be used as a guide in the United States?
 - (d) Is compulsory unemployment insurance practical? If so, how should it be administered?
- II. Compensation Medical Loss Ratios:
 - (a) Is there a cycle in compensation medical loss ratios?
 - (b) What are the main factors causing rising medical costs?
 - (c) Is it possible to regulate medical costs through—
 1. Fixed fee schedule.
 2. Clinics operated jointly by carriers.
 3. Any other means.

Stewart LaMont to Speak

Stewart M. LaMont, vice-president Metropolitan Life and head of its personal accident and health department, is to present a paper reviewing "the history of accident and health policies, as contracts, from earliest efforts at policy drafting, beginning as a process of experimentation by inexperienced men venturing into an uncharted field, and tracing their evolution into the broad contracts of the present day."

Miss E. C. Maycrink of the New York department will describe the procedure in the examination of casualty companies, while Mark Kormes of the New York Compensation Insurance Rating Board will outline "a method of assembling and analyzing the data reported under the unit statistical plan."

Iago and Algire Are Active in Marine Floater Matter

J. J. Iago, vice-president Fidelity & Deposit, and Russell Algire, vice-president National Surety, have taken and are taking a prominent part in the controversy of casualty companies with inland marine carriers over the all-risk personal property floater and other forms of the marine companies which it is charged encroach on casualty. Much of the credit for making of this an issue now before state insurance commissioners goes to these two men, although their activities have been directed in behalf of the interests of all casualty companies and not merely of their own carriers.

The two drafted a comprehensive brief filed with the New York department, which it is believed will be the basis for an attempt of the New York superintendent next spring to obtain remedial legislation in that state equalizing matters. Mr. Iago wrote the letter to commissioners published in THE NATIONAL UNDERWRITER of Nov. 5, asking rulings or legislation nation-wide to this same end. Due to the exigencies of publishing it was not possible last week to give Mr. Iago proper credit and at the same time make clear that his action was in the interests of all companies.

The question quickly has been picked up and has become one of the major issues of the moment. Nearly two pages in the "American Agency Bulletin," issue of Nov. 6, published by the National Association of Insurance Agents, were devoted to a discussion of the subject.

Bland Heads Party in Tribute to Schilling



W. O. SCHILLING

Twenty branch managers, assistants and home office officials of the United States Fidelity & Guaranty, headed by President R. Howard Bland, gathered in Chicago Saturday in honor of W. O. Schilling, Chicago branch manager, who recently completed 25 years service with the company. In the afternoon, some of the party attended the Northwestern-Minnesota football game in Evanston, others played golf and in the evening there was a banquet. Mr. Schilling was presented with a set of handsome silver candle sticks.

It was brought out during the banquet talks that the average service age of the U. S. F. & G. branch managers is more than 20 years.

Among those on hand were W. A. Edgar, agency director; J. W. Crook, assistant auditor at the home office; E. E. Keeley, attorney for the U. S. F. & G.; W. H. McBryan, director and resident vice-president at Detroit, who acted as toastmaster, and these branch managers: P. D. Metzger, Cleveland; J. D. Hall, Des Moines; J. E. Messick, Indianapolis; L. L. Bebout, Kansas City; George Hoff, Milwaukee; George Goetz, Milwaukee; G. B. Eckles, Minneapolis; H. B. Hupp, Cincinnati; Alan Hoblitzell, St. Louis; L. H. Paine, Toledo; P. F. Lee, Detroit; Leslie Williams, assistant manager, Kansas City; I. K. Cruett, superintendent casualty department, Chicago; Eddie Ptacek and M. P. Fisher, assistant managers at Chicago.

Philadelphia Rate Changes

Extension of Philadelphia suburban territorial limits for purposes of automobile insurance rating to include part of the city proper has been made by several casualty companies, according to report. Thus residents in some sections of Philadelphia proper would have the advantage of suburban rates. Previously the suburban rates did not extend into the city. The new division is said to place the western limit at 52nd street, a mile closer to the center of the city. North of Girard avenue in West Philadelphia and north of Allegheny avenue in North Philadelphia are also placed in suburban territory. Intensive competition for automobile business is said to have prompted this realignment.

Agree to Pay \$150,000

NEW YORK, Nov. 11.—The Royal Indemnity, Massachusetts Bonding, Fidelity & Casualty and Aetna Casualty have agreed to pay the Dade county (Fla.) school board \$150,000, the amount of its funds in the closed Bank of Bay Biscayne.

Showdown Likely on Cost Control Plan in Chicago

JOINT MEETING THURSDAY

Eastern Executives Deliver Ultimatum to Chicago and California Men Which May Inspire Action

A joint meeting of the committee of branch managers and committee of general agents assigned to ponder the projected Chicago Casualty Acquisition Cost Control is being held Thursday of this week. The call was issued by W. Herbert Stewart, Keator, Stewart, Kessberger & Lederer, who is chairman of the general agents committee.

The meeting seems to have more significance than previous conferences on the subject because the Chicago men have been advised of an ultimatum from eastern executives that unless by Nov. 15 launching of the Control is assured, the east will take the matter completely out of the hands of the Chicago men. A similar ultimatum has been delivered to California, where a similar organization for control of acquisition cost is being projected.

The ultimatum, Chicago men are advised by James A. Beha, general manager National Bureau of Casualty & Surety Underwriters, is in the form of a resolution adopted at a joint meeting of the committee of twelve and the national agency committee of the casualty conference. The resolution reads: "That if the Chicago and California representatives have not reported definite progress for their respective territories by Nov. 15, the matter shall then come before the committee of twelve for definite treatment to become effective Jan. 1."

Beha's Interpretation

"This means," Mr. Beha stated, "that unless you work out your own situation, the company executives will step in and try to do it from this end."

"Personally," Mr. Beha continued, "I don't like this. I would rather have you work out your own destiny under the rules as they are or may be modified."

At the joint meeting Mr. Beha said that modification of the constitution and by-laws of the Chicago Casualty Acquisition Cost Control was discussed but there was no indication that modifications would be authorized. It is possible, he added, that the general and regional agency situation will be tightened up. Some system may be authorized to prevent the general agents commission being paid except to more nearly legitimate general agents.

If the joint meeting Thursday does not produce signs of action some members propose to suggest the dissolution of the two committees and refer the project back to a general meeting of Chicago general agents and branch managers without preparing a report. This would be done as an expedient to get the Control started if it appears that a deadlock seems inescapable in the deliberations of the two committees.

Caverly Vice-President of the Fidelity & Casualty

NEW YORK, Nov. 11.—R. N. Caverly has been appointed vice-president in charge of the claims department of the Fidelity & Casualty for the entire United States, succeeding M. C. Griffin, deceased. Mr. Caverly has been counsel in charge of the Metropolitan claims department of the Globe Indemnity. He started in insurance as superintendent of claims, Globe Indemnity, in Minneapolis, later being in charge of the branch claims office of that company in Chicago. He went to the home office in 1920 and became counsel in 1924. He is president of the Alliance Against Accident Fraud.

Progress Is Seen in Move Towards Aviation Group

CONFER AGAIN THIS MONTH

Necessity of Setting Up Rating Organization in Near Future Is Being Recognized

NEW YORK, Nov. 11.—Very satisfactory progress toward the formation of an organization to control rates and practices among aviation underwriters is reported and it is understood that another meeting of interested groups will be held before the end of this month.

Agitation for an aviation insurance rating body began about a year ago, the first official action coming from the National Bureau of Casualty & Surety Underwriters. There followed a meeting of the various underwriting groups in December, 1930, and several meetings since that time. It was found impossible, however, to reconcile the different bases of operation of the various interests.

Tangible Results Expected

Lately there has been more sentiment in favor of a rating organization and appreciation of the need of developing one in the very near future. Indications are that there will be tangible results from the meeting scheduled for this month. It has been suggested that the action of Superintendent Van Schaick in correcting practices in other lines of insurance has been of assistance in bringing the aviation underwriting companies closer together than otherwise might have been the case.

There is a possibility that life companies might eventually become contributing members to such a body, as the information would be of great use to them in dealing with the aviation hazard among their policyholders.

Benefit to Operators

While the formation of a rating body might for a time result in higher rates to some air lines, yet it would have the merit of putting competitors upon the same plane, insurance-wise, and eliminating the advantage that one competing company might have through having a broker who is clever at shopping around.

Massachusetts Legislature No Nearer Rate Solution

BOSTON, Nov. 11.—The special session of the Massachusetts legislature called to consider amendment to the compulsory automobile liability insurance act ended its fifth week with no nearer approach to a solution than at the outset.

Last week President Gaspar G. Bacon of the senate put forward a startling proposal. In company with the Republicans of the senate he proposed a combination compulsory and financial responsibility act; compulsory insurance to protect pedestrians and a financial responsibility act to apply to occupants of motor cars injured and all others except pedestrians.

After much agitation and newspaper publicity and support, it was expected the measure would easily pass the senate but might be lost in the house. At a vote taken on the proposal in the senate Friday morning, however, the bill was defeated 23 to 14.

The senate has still to act upon the measure to provide a rating board of three members, to include the present appeal board, passed by the house, and the house bill to protect insurance companies by notice in default cases. Otherwise the legislature has made no progress in arriving at legislation which will tend to reduce automobile liability insurance rates for 1932.

Day, McCutchan Under Indictment

Federal Grand Jury in Kansas
City Charges Fraudulent
Land Deals

ARE NOW UNDER ARREST

Charged in Federal Court with Using
the Mails to Defraud with Insur-
ance Schemes

Darby A. Day, former well known Chicago life insurance man and later Pacific Coast agency supervisor of the Old Line Life of Milwaukee, which position he resigned recently, and J. B. McCutchan, who was associated with him in various promotional enterprises in Chicago that blew up, were indicted by the federal grand jury in Kansas City last week on charge of committing fraudulent transactions in connection with their insurance schemes. They were named in seven counts alleging use of the mails to defraud. Judge Reeves, to whom the indictments were returned, issued warrants for their arrest and set bonds at \$10,000. Mr. McCutchan appeared in Judge Reeves' court to file bond. Mr. Day is in Los Angeles, where he submitted to arrest Monday and gave \$10,000 bond. Hearing will be at Kansas City Nov. 24.

Concerns in Receivers' Hands

All the companies involved are in the hands of receivers. It is stated that the trial will be held at Jefferson City, Mo. The companies involved in the Day-McCutchan promotion schemes were the Chicago Fidelity & Casualty, Darby Day Investment Corporation, Indemnity Insurance Company of America, Continental Auto Insurance Underwriters of Springfield, Ill., Samson Auto Insurance Association, Freeport, Ill., Automobile Underwriters Insurance Company of Dallas and Liberty of Dayton.

The Darby Day Investment Corporation was a holding company and was the medium through which much of the financing was made and insurance concerns purchased. The government charges that companies were bought with a small sum in actual assets but with hundreds of thousands of dollars of paper which was practically worthless. It is stated that many fictitious mortgage transactions and stock juggling were resorted to. The first purchase was the Indemnity Insurance Company of America at Kansas City, which had been bought by the late Col. Fred W. Fleming. Darby Day purchased the company for \$118,000 payable in two notes. The name was changed to the Continental Indemnity.

Mortgages Were Substituted

The government charges that in these various transactions good assets were taken out and there were substituted mortgages of very doubtful value secured by deeds of trust on unimproved land in southeastern Missouri. The purchase of the Indemnity Insurance Company of America and the use of large sections of this land which was used as the basis for further financial ledger-main forms the basis on which the indictments are made. The federal government charges that Messrs. Day and McCutchan deposited worthless mortgages of about \$200,000 with the Missouri insurance department. It is claimed that they got the Missouri land by exchanging stock of the Darby Day Investment Company. Then it is claimed they mortgaged the land for \$62 an acre

(CONTINUED ON LAST PAGE)

Quarterly Premium People Gradually Getting Together

AGREE ON UNIFORM PRACTICES

Companies Endeavor to Cut Down De-
structive Competition in Accident
and Health Insurance

DES MOINES, Nov. 11.—A meeting of ten of the leading so-called quarterly premium accident and health companies was held here this week to discuss uniformity and standardization as to underwriting practices with the view of cutting down waste. W. T. Grant, president Business Men's Assurance, presided at the conference; Harold Gordon, executive secretary Health & Accident Underwriters Conference, was secretary. The companies represented were the Great Northern Life, Business Men's Assurance, Abraham Lincoln Life, Great Western of Des Moines, Interstate Business Men's of Des Moines, Mutual Benefit Health & Accident of Omaha, American Bankers Life, Fidelity Health & Accident of Benton Harbor, Mich., National Travelers Casualty of Des Moines and Federal Life.

Some Agreements Reached

So far as health insurance is concerned it was decided to charge a level rate if a policy was taken out before age 50 with a 12½ percent increase after age 50. From age 56 there is to be a 10 percent reduction in benefits for the next five years and 5 percent for the following 10 years. This applies to pending claims as well as those contracted after the change. For accident insurance there is to be a level rate to age 60 and a 10 percent reduction in benefits each year thereafter. It was decided to agree to the 20-day limit before accident benefits are paid. That is, the injury must manifest itself before the 20 days are up.

Cut Down on Non House Confinement

The companies decided not to write any health insurance that does not require house confinement for more than 12 months. No partial health benefit is to be paid. So far as accident insurance is concerned there will be a 40 percent partial indemnity with a period of six months. There was no agreement reached as to the length of time for total accident benefits. It was agreed to adopt standard provision No. 17 which requires a pro rate settlement for other insurance where there is no notice given. It is thought that this agreement will do much to bring the companies together and to check a form of competition that was becoming more and more distressing.

Ex-Governor Stokes Slated to Succeed Chas. H. Holland

PHILADELPHIA, Nov. 11.—Edward C. Stokes, former New Jersey governor and board chairman of the First Mechanics National Bank of Trenton, N. J., is to succeed Charles H. Holland as chairman of the board of the Independence Indemnity, according to a report current in local insurance and financial circles. Mr. Stokes, it is said, will be elected to the post at the Independence Indemnity's next board meeting.

Mr. Stokes will not be venturing into an unknown field as he has been for some years a director of the Commercial Casualty. In addition, he is a director of the Independence Fire Insurance Security Company of Philadelphia. He is also a director of the Chambersburg Trust Company, the First National Bank of Roebuck and the Trenton Savings Fund Society.

The Atlantic Mutual has been licensed in Michigan to write marine and inland marine business.

Ocean Accident Is Retiring From Credit Insurance Field

LONDON GUARANTEE GETS IT

Will Devote Its Energies and Time to
the Other Various Casualty
Lines

NEW YORK, Nov. 11.—The London Guarantee & Accident is taking over the credit insurance business of the Ocean Accident & Guarantee, the latter retiring from the credit field. The Ocean started in this country as a credit insurance corporation and worked up a large business. In more recent years it extended itself into various casualty lines and its credit insurance department has not developed along with the others. Last year its credit premiums amounted to \$484,573. Its underwriting loss on credit insurance last year was \$70,799. In the long run it has made money on its credit business but it desires to concentrate on its other lines. During the financial crisis it has been extremely difficult to underwrite credit insurance satisfactorily.

With retirement of the Ocean from the credit field there are left but three companies writing this class, the American Credit Indemnity, the London Guarantee & Accident and the National Surety.

Accident Approach Discussed

President George Brown Is Principal
Speaker at Meeting of Detroit Acci-
dent and Health Managers

DETROIT, Nov. 11.—One of the best possible approaches to an accident and health prospect at this time is to say to him, "You have had a considerable increase in salary, so you should be vitally interested in a full coverage accident and health policy," George Brown, newly elected president of the Accident & Health Managers Club of Detroit, told the members of that organization at a luncheon meeting Monday.

Following up this opening wedge, the underwriter should point out that commodity prices have declined from 25 to 30 percent the past year, and fully 50 percent in ten years, he said. This is, of course, equivalent to a doubling of the prospects' salaries during this period.

It was voted to admit as associate members, underwriters, other insurance agents, salesmen calling on insurance men, etc., with dues of \$2 per year. These members will have all privileges but voting. A manager must sponsor each associate and the manager will be personally responsible for him.

A proposal to send a resolution to the president of the national association condemning the move of Sears, Roebuck & Co. and other mercantile institutions in entering the accident insurance business was defeated on the ground that the publicity given accident and health by means of the advertising done by these companies will prove beneficial rather than detrimental to the legitimate companies and agents. This publicity, it was contended, will open the way for the sale of full coverage policies in place of the extremely limited ones so offered.

Bretz Now Underwriter

H. H. Bretz has been appointed liability underwriter at the home office of the American Liability & Surety of Cincinnati. Mr. Bretz is well known in the central west, where for a number of years he was connected with the Southern Surety, first at St. Louis, then Chicago, and he also previously was with that company in New York City. Prior to that he was with the Zurich at the head office in Chicago.

Priority Right Is Denied Company

Maryland Appellate Court Rules
on Deposits in Failed
Bank

EXCERPT FROM OPINION

Receiver Is Bar to Liens Under State
Law—Lower Court Decision
Upheld

BALTIMORE, Nov. 11.—A bonding company cannot claim priority rights for state or city deposits in a bank which failed, after receivers have been named, according to a decision handed down by the Maryland court of appeals.

The appeal was on the case of the Public Indemnity, Amsterdam Casualty and American Bonding against George W. Page, state bank examiner, who was appointed receiver for the Chesapeake Bank last year. These three companies had insured the deposits of the state of Maryland amounting to \$40,000 and sued for priority rights.

The lower court held that priority rights were lost when no suitable action was taken to enforce that right before receivers were appointed.

This decision was upheld by the court of appeals which in its opinion held that:

Statute Bars Lien by State

"When a bank is closed and is placed in the hands of the bank commissioner, who is duly appointed its receiver under Section 9 of Article 11, which provides that the possession by the bank commissioner as receiver shall 'operate as a bar to any and all attachments, liens, executions or distrainments of any kind,' then such statutory provision is literally broad enough to bar the acquisition of a lien by the state.

"The state's right of priority does not of itself constitute a lien. Unless made such by suitable action or by appropriate process, it must yield to effective transfers of the debtor's property.

"That under the statute the posting of the notice by the bank that it was in charge of the bank commissioner had the effect of placing all of its assets in his possession as receiver, and the right of the bank to dispose of its assets was divested, and an effective transfer was made.

"Under the established system of supervision of banking institutions, which the state has incorporated, it has opportunity and ability to impose conditions tending to safeguard their solvency. In view of that authority, and of the separate and adequate security which is exacted for the state's deposits, and of the general policy revealed by the various provisions of the statutes, it was held that the legislature did not intend to reserve from the effect of the statutory receivership the right to enforce the priority of the state's claim."

OFFICIALS NOT SURPRISED

NEW YORK, Nov. 11.—Company officials here are not surprised over the Maryland decision denying priority for claims to recover public funds. New York and West Virginia are the only states in which public funds are given preference on public money in state banks.

The reason for the favorable statute in New York harks back to the long established law in Great Britain that the claims of the sovereign are superior to those of any of his subjects. Fol-

(CONTINUED ON LAST PAGE)

Argument on Over Earthquake Cover

(CONTINUED FROM PAGE 3)

in southern California does not necessarily mean damage in northern California because of the different structure of the earth and variation as far as the faults concerned—and vice versa.

Many underwriters do fear, however, the congested districts of Los Angeles on the claim that construction there is such as to make possible severe losses. Santa Barbara had a strong disturbance a few years ago which caused some losses. It is upon this that many managers and underwriters base their contention that earthquakes in Los Angeles or San Francisco would cause serious consequences.

Most of the argument over earthquake insurance developed through the practice that where earthquake was written, fire business should be placed with the same company. This rule was followed by both board and non-board companies, with the result that a great many lines went to non-boards, which would write the earthquake more freely and at greatly reduced rates from those set up by the Pacific Board.

Brokers Given Proposal

As general agents, and some company managers, saw fire lines being diverted in this manner, because brokers received relief from the Insurance Brokers Exchange, they became aroused and later the brokers were requested to assume jurisdiction over earthquake insurance to the same degree as they control fire insurance. This would mean that earthquake business would be subject to the same rules as fire while nothing was said regarding the granting of relief to these brokers for placing earthquake as well as fire, apparently board companies felt it would be returned to them. However, that is another question which has not been discussed.

Later the exchange attempted to

amend its constitution to cover earthquake insurance but the move was defeated, particularly by the realtor members who place a large part of the earthquake insurance in San Francisco.

Meetings were then held between the Pacific Board committee, a committee from the exchange and the real estate board. The proposed changes now before the companies resulted.

The realtors contended that in many cases they were forced to place earthquake insurance; that banks and assureds fought over the high rates for the coverage; that many deals were practically killed because of compulsory earthquake insurance at such a cost. Therefore, they contended, they were forced to place the business with the co-operating non-board companies which, however, also demanded the fire insurance. This meant relief from their obligations to the exchange—which was always granted. Thus did the board companies see their fire business leaving them.

Total Liability Higher

A few company managers feel that there has been too much agitation over earthquake business. They say that the high rates were promulgated a few years ago purposely to stop heavy writings when liability piled up, but total liability written in 1930 was the highest of any year and reached \$346,305,233, as against \$302,605,000 in 1929 and \$218,364,000 in 1928.

So it is apparent that the "exorbitant" rates did not bring about a reduction in aggregate although many companies practically ceased writing this coverage.

Get Pacific National Fire

SAN FRANCISCO, Nov. 11.—Cravens, Dargan & Co. are to be appointed general agents for the Pacific National Fire in Arizona and Texas as soon as license to operate in these states is granted. The Houston office will handle Texas, the California office handling Arizona.

Beha Reports to New York Department on Cost Rules

(CONTINUED FROM PAGE 39)

ing center in the state to the demoralization of the brokerage business. If every company were allowed to maintain its complete quota for a state without limitation by cities, all the business in the larger producing centers would automatically be written at the top cost. There would be no margin to cover field supervision cost and by the time the business was laid down at the home office it would cost a great deal more than anticipated in the rate loading.

Relationship Upset

"Moreover, this would upset the relationship between the company and the general agent as regards business actually produced by subagents. The general agent is a representative of the company while the producer, or even the regional agent, more directly represents the assured and protects his interests.

"Regional agents are limited to not more than one in a city for the same reasons that general agents are limited. Unless they are so restricted regional agents would become simply producers receiving excess commissions. There is not enough business nor enough points where an unlimited number of regional agents could be planted and function as such, nor are there enough properly trained men in the insurance business to justify no limitation of those who may receive regional agency commissions.

"If all the business were turned over to the general agents and branch offices at regional agency commissions, the margin between the regional agent's commission and the top cost would not be sufficient to service the business properly. It is generally admitted that there are only a limited number of direct producers who, in addition to their service as producers, can and do supply such additional service as would justify their

receiving the regional agent's commission.

"If those who do not qualify were to receive the regional agency commission, those properly classed as regional agents could not fairly compete with them. The bona fide regional agents would have to give up servicing the business and turn it over to the general agents and branch offices and in the same incompleting form as the ordinary producer does."

Life Members Society Has Annual Meeting in Chicago

(CONTINUED FROM PAGE 4)

mania, who started his career with the Witkowsky & Affeld agency of Chicago.

The members present out of Chicago were Fred B. Barnes, Oshkosh, Wis.; W. L. Ely, Monroe City, Mo.; W. B. Henry, Kansas City; J. F. Irish, C. D. Lasher and E. M. Sellers of Indianapolis; A. C. Gilbert of Detroit; F. L. Weineck of Milwaukee. A cablegram was received from R. G. McCullough, who is sojourning at Belfast, Ireland. Holger de Roode was the second oldest in attendance, being of the class of '80.

President Stafford in his letter stated there is some \$6,300 in the treasury which will be used to perpetuate the Life Members Society and to apply it to the benefit of any member who is in need of help. The fund is in charge of Mr. Stafford, R. A. Buckman and T. M. Hogan. Mr. Stafford's letter seemed to spell finis to the Northwest association.

A. F. Powrie, Fire Association, chairman of the nominating committee, reported as follows:

President—W. B. Calhoun, Milwaukee.

First Vice-President—Fred M. Gund, Freeport, Ill.

Second Vice-President—W. A. Chapman, Evanston, Ill.

Secretary—Holger de Roode, Chicago. Treasurer—W. J. Sonnen, Chicago.

WHEN a person buys suretyship or casualty insurance protection, the name behind the bond or the policy is of instant concern. A name that is widely known at once breeds confidence and respect.

To numerous thousands, the name, American Surety, presumes unquestioned high standing, the disposition and the capacity to settle equitably and promptly, and a record of unexcelled performance.

Desirable agency openings occur from time to time, and we welcome the opportunity to discuss with responsible local agents the advantages of associating themselves with a name that is in itself a selling point.

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(Organized 1913)

Home Office:
Canada Permanent Bldg.
Toronto, Canada

NEW YORK CASUALTY COMPANY

(Organized 1890)

Home Office:
80 John Street, New York, N. Y.

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(Organized 1913)

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FIDELITY AND SURETY BONDS
CASUALTY INSURANCE

18,000 Local
Representatives

In Memoriam

The Prudential Casualty & Surety Company *of St. Louis*

announces with deep regret and profound sorrow the death of

GEORGE HUSKINSON *Chairman of the Board*

Friday, November 6.

Mr. Huskinson was stricken suddenly as he was going to the office and died without warning.

His service to this company and loyalty, his conscientious regard for everyone, his faithfulness to every duty and obligation, made him an outstanding figure as an insurance executive.

Mr. Huskinson's entire business life until he became Chairman of the Board of this company was practically spent with the Illinois State Insurance Department, he starting in the actuarial department when the late Colonel J. J. Brinkerhoff was actuary. He served for many years as deputy superintendent of insurance and then was appointed superintendent. In all his work in public office he followed the straight line of duty and discharged the activities of the department with an eye single to the best interests of all concerned.

He brought to the Prudential Casualty & Surety an experience that was invaluable and he did much in assisting to guide its destinies along substantial lines. We of the official family feel his death not only as a great business loss but owing to his genial and kindly nature and his close association with the company, his passing becomes a personal bereavement.

The Prudential Casualty & Surety Company
110 N. 9th Street
St. Louis, Mo.

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agency companies,
recognizing the value
of full cooperation by
the Home Office with
men in the field.

United States Fidelity and Guaranty Company

R. HOWARD BLAND, *President*

Fidelity and Guaranty Fire Corporation

R. HOWARD BLAND, *President*

FRANK A. GANTERT
Vice-President and General Manager

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BALTIMORE, MARYLAND

AUTOMOBILE	PUBLIC	BURGLARY	ACCIDENT
LIABILITY	LIABILITY	THEFT	HEALTH
PROP. DAMAGE	TEAMS	PLATE GLASS	WORKMEN'S
COLLISION	ELEVATOR	STEAM BOILER	COMPENSATION



CHANGES IN CASUALTY FIELD

Lamb Resigns Chicago Post

**Retires as Manager There for Preferred
Accident Because of Press of
Personal Affairs**

Richard W. Lamb, manager for the Preferred Accident in Chicago, has resigned because of press of personal affairs. The company has not yet announced an appointment of a successor. It is believed the field force will be adjusted to permit sending another Preferred man to Chicago. Mr. Lamb will continue in the branch for some time in an advisory capacity. A. J. Demeree, manager of the claim department there, temporarily will be in charge. Mr. Lamb is vice-president of the Rapid City, Black Hills & Western Railway and is a partner in the Warren-Lamb Lumber Company of Rapid City, S. D. These two connections have required so much of his time recently that he felt it was obligatory on him to give up the responsibilities as Preferred manager. He is a Chicagoan and his insurance experience dates back to 1925. He has been manager of the Preferred branch in Chicago since May, 1929.

Independence Indemnity in N. Y.

The Independence Indemnity has appointed E. J. Tallman and J. A. Morrison as managers and resident vice-presidents of the New York City branch at 90 William street. Mr. Tallman was formerly vice-president of the Royal Indemnity and Eagle Indemnity and later became vice-president of the Guardian Casualty at Buffalo. Mr. Morrison served as secretary of the Royal Indemnity and Eagle Indemnity and later became secretary and treasurer of the Independence Indemnity.

Millard to Home Office

Hugh T. Millard, manager of the Chicago branch of the Ohio Casualty, has been transferred to the home office at Hamilton, O., in an executive capacity in the bond department. The Chicago branch will continue to be operated by the same staff as in the past. No announcement as to a managerial appointment there is made at this time.

Mr. Millard has had a great deal of experience in insurance, previously having been resident vice-president of the Chicago division of the Federal Surety and before that connected with the Aetna and Century Indemnity. Prior to that he operated a large general agency at Cleveland. He had been Chicago manager for the Ohio Casualty since early this year.

Consolidated's Coast Changes

The Insurance Service Corporation of Los Angeles has resigned as state general agent of the Consolidated Indemnity. Los Angeles surety matters will be handled for the present by R. L. Holbrook, who is in charge of the surety department on the Pacific Coast.

Decision as to whether California operations will continue through the appointment of a new state general agent for surety lines or whether a branch office will be established at San Francisco will be delayed until the recovery of H. G. Papenberg, Pacific Coast manager, who is now confined to his home by illness. California casualty business continues under the direction of the R. L. Heinsch general agency.

Lewis Made Newark Manager

Frank A. Sullivan has resigned as resident manager of the Newark office of the Associated Fire & Marine and Associated Indemnity and J. A. Lewis has succeeded him. Mr. Lewis has been in insurance work for 12 years, having been with the Georgia Casualty both at the Atlanta and Newark offices for nearly six years and previous for six years superintendent of the automobile department at the home office of the New Jersey Fidelity & Plate Glass.

U. S. F. & G. Specials Transferred

T. B. Sherman has been transferred by the United States Fidelity & Guaranty from Buffalo to Cleveland as special agent and W. B. Ball has been appointed special agent in zone 3, Los Angeles. Mr. Sherman formerly was superintendent at the Columbus service office of the U. S. F. & G.

WORKMEN'S COMPENSATION

Test Payroll Audits Planned

**New System Adopted in Minnesota,
Effective Dec. 31, Expect to Pro-
duce Favorable Results**

ST. PAUL, Nov. 11.—Test audits of payrolls covered by compensation insurance will be made after this year in Minnesota. Both the compensation insurance board and the Minnesota compensation rating bureau have approved the idea, which has been under discussion for several years.

May Make Request

Under the plan adopted, any interested party may make a request for a test audit. If "substantial charges of improper practices" are filed with the compensation board, the latter may request the rating bureau to proceed with the audit. The rating bureau already is negotiating with a firm of certified accountants to make the audits, which will be at the expense of the bureau. The board expresses the belief that "such a plan will have a beneficial effect upon business as a whole without materially increasing the cost of the bureau's operation."

There have been cases in Minnesota where the companies have lost considerable money through improper audits of

payrolls. On the other hand some employers feel that they are getting an unfair deal through what they term manipulated audits. Minnesota will be one of the first states to make test audits. The plan will be effective on all policies expiring after Dec. 31, 1931.

Michigan Retaliates for New York Bond Requirement

LANSING, MICH., Nov. 11.—The Michigan department has ordered the Lloyds Casualty of New York to discontinue writing workmen's compensation in this state. The company's license has to that extent been revoked, department officials said, although the carrier may continue writing other lines included in its certificate of authority.

The drastic action was taken because the company had failed to carry out the department's order, based on the retaliatory clause of the state insurance code, to file a bond of \$25,000 protecting workmen's compensation beneficiaries. The New York department some time ago promulgated an order that such a bond be posted in that state by Michigan carriers or those of other states. Michigan is therefore insisting that New York carriers supply similar protection for their workmen's compensation business here.

ACCIDENT AND HEALTH FIELD

Appointed in Organization

President Edson of National A. & H. Association Makes Announcement Before Chicago Club

Appointment of Fred G. Burgoyne, assistant secretary Union Indemnity, New York City, as secretary of the National Association of Accident & Health Managers, and Bert R. Jones, manager accident and health department, Maryland Casualty, at San Francisco, as regional vice-president for the Pacific Coast, was announced by President L. D. Edson of the National association at the November meeting of the Accident & Health Managers Club of Chicago. Mr. Burgoyne also is president of the New York City club.

Four new members were voted in, L. C. Parry, Retail Credit Company; P. E. Pope, Zurich; C. F. Kraeckmann of Fred S. James & Co., and A. R. Schuster, president Reserve Mutual.

Leonard Keeler of the crime detection laboratories, Northwestern university, gave his interesting talk and demonstration on the "lie detector," with the usual accurate results. The luncheon set a high mark in the Chicago club with a record attendance of 51 accident and health men, including a number of guests.

Free Accident Policy Is Offered to Subscribers

The Chicago "Herald and Examiner" and the Chicago "Evening American," Hearst newspapers, have introduced something new in the newspaper policy field. Accident policies in the Continental Life of St. Louis are being offered to home delivery subscribers without charge. Heretofore the "Herald and Examiner" has had an arrangement with the Continental Life for the sale of policies to subscribers at \$1 a year.

The policy provides \$10,000 if the insured, while riding as a fare paying passenger, is killed by the wrecking of any railway passenger car; \$5,000 for the wrecking of any passenger steamship or street railway car, elevated railway or subway car; \$1,000 for the wrecking of taxicab, public omnibus or automobile stage; \$1,000 for the wrecking or disablement of any private automobile; \$500 for the wrecking or disablement of any taxicab, motor bus, street, elevated or subway car if the insured is a conductor or motorman; \$500 for the wrecking of various farm vehicles; \$100 a month for total disability from injuries received according to terms of the policy. There are other indemnities covering loss of life, time or limb.

Confer on Coast Rulings at Salt Lake City Nov. 18

A conference on the accident and health rulings issued by the insurance commissioners of the Pacific Coast and mountain states, in which they were recently joined by Commissioner Horswell of South Dakota, covering the use of the wrecking and disablement clause, payment of hospital benefits and coverage of septicaemia, will be held at the Hotel Utah, Salt Lake City, Nov. 18. Commissioners of practically all the states involved have already indicated their intention to attend the meeting.

As a result of informal discussion of these rulings, accident and health companies of all classes have named a committee of five to represent them at the meeting. The individual companies also have been invited to attend or send additional representatives if they wish. These rulings were agreed upon by the western commissioners at a meeting

held in Portland just before the annual meeting of the National Convention of Insurance Commissioners and no hearing was given to the companies before they were sent out. Opportunity will be given at the Salt Lake City meeting for a full discussion of all the questions involved and it is hoped that the commissioners may decide to modify their rulings in some important features, particularly as to making them retroactive. The company committee consists of

E. St. Clair, North American Accident, chairman; Manton Maverick, Continental Casualty; C. O. Pauley, Great Northern Life; James F. Ramey, Washington National, and L. U. Stone, Pacific Mutual Life.

Union National in Operation

The Union National recently licensed by the Minnesota department has started business at 515 Andrus building, Minneapolis, with a paid up guaranty fund of \$25,000. It is operating on the assessment plan and is writing only health and accident insurance at present.

R. A. Friedrichs, president, formerly

was with General Motors insurance department. A. J. Syse, vice-president, is a banker at Sunburg, Minn., and W. F. Olsen, secretary-treasurer, is president of the Business Service Co., Minneapolis. He formerly was in the banking business. The new company will operate only in Minnesota.

Oklahoman Travelers Leader

Goodwin Broadbuss, Travelers special agent at Ponca City, Okla., was the leader in personal production of accident insurance in a recently closed "five-man team" contest conducted among all Travelers branch offices. The Okla-

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Compensation
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homa team also carried off the team honors.

Sets New Seven Day Record

The Security General Agency Corporation, Milwaukee general agent of the Continental Casualty, has established a new record among the company's agencies by writing 325 new accident and health policies in seven days.

Formerly the palm was held by the Buffalo agency, which last March rolled up a score of 222 policies in a similar period.

New Company in Nebraska

Articles of incorporation of the United Farmers Insurance Company of Norfolk have been approved by Commissioner Herdman of Nebraska. The company will write assessment accident and health coverage. A license will issue when 200 members are signed up. The incorporators are: M. Marshall, E. J. Hannigan, W. H. Jones, M. E. Jones, M. Jones, F. J. Hannigan, N. P. Hannigan, C. J. Konagel and F. R. Pryor.

Fidelity-Surety Activities

Have to Depend on Local Men

Judgment Needed in Surety Business,
General Counsel of F. & D. Tells
Newark Association

NEWARK, Nov. 11.—No business requires more sound judgment than the surety business, Col. Washington Bowie, general counsel of the Fidelity & Deposit, told the Surety Underwriters Association of New Jersey, in his talk on "What Is the Most Essential Qualification in the Surety Field."

The companies depend entirely on the field representatives for their good judgment, he said. The home office official does not know the situation in any part of the country, unless possibly in the home office city. The territory in question may be 300 or 1,000 miles away from the home office, and it is for this reason that the field man must use his judgment, said Colonel Bowie.

"The question has been asked, 'Is the surety field static?' My answer to that question is, 'No, it is not by any means.' There are plenty of lines yet to be developed by the surety companies."

He reviewed briefly some recent court decisions and said it would be necessary for the companies to state definitely in their policies just what they cover. He also spoke briefly on the depository bond situation in the various states.

No Progress in Remedying Michigan Surety Situation

LANSING, MICH., Nov. 11.—Little if any progress was made during the past week at a conference of state officials and a special committee of the Michigan Association of Insurance Agents toward clearing up the critical situation created in the state by the refusal of the surety companies to write short term tax collection bonds for city, village, and township treasurers.

Several members of the attorney general's department were instructed by their chief, Paul W. Voorhies, with whom the conference was arranged, to go over the laws carefully in an effort to work out some plan whereby the statutory provisions may be met and the taxes collected as usual. It is feared that legal collection of the state, county and road taxes may be interrupted if the problem is not solved, in which event an extra session of the legislature to modify the law would be almost a certainty.

Governor Brucker, Commissioner

Livingston and Deputy Commissioner Taylor of the banking department were among those attending the conference with the agents' committee. The governor realizes the gravity of the situation but is extremely loath to call an extra session to modify the bond provision if it can be avoided, as other groups urging emergency legislation have been clamoring for a return of the legislators and many situations embarrassing to the administration might be precipitated.

New Coast Company Licensed

The Coast Surety Corporation, recently organized at Los Angeles with paid-up capital of \$100,000, has been licensed to write fidelity and surety lines in the state. H. W. Blackburn is president of the new organization and C. A. Haskins, secretary.

Troubled Over Treasurers' Bonds

RICHMOND, VA., Nov. 11.—Under existing conditions the surety companies are loath to write bonds on county treasurers here and it is causing a good deal of trouble in the state. It is expected that county treasurers elected this fall will not be able to furnish bonds because of companies' restrictions. A remedy is being suggested that high class securities pledged by the banks shall guarantee deposited public funds.

PERSONALS

Walter W. Head, well known banker, who has a number of insurance connections, has been elected president of the Morris Plan Corporation of America, succeeding A. L. Babcock. Mr. Head made his record in Omaha and then was brought to Chicago to be president of the State Bank of that city. Shortly thereafter, the State Bank was merged with the Foreman institution and Mr. Head became president of the combined organization. Then the Foreman Bank was taken over by the First National and Mr. Head was left adrift.

Mr. Head is chairman of the board of the American Union Life of Omaha and is a director of the United States Fidelity & Guaranty. He was until recently a director of the New York Life.

Harry H. Fuller, assistant United States manager in the head office of the Zurich at Chicago, and Miss Jane Smith, cashier in the head office, were married and are on their honeymoon in Mexico.

J. Dillard Hall, Iowa-Nebraska manager for the United States Fidelity & Guaranty, at this week's meeting of the Casualty & Surety Club of Des Moines was presented by the club with a beautiful electric desk clock, suitably engraved, in token of their appreciation for his work in behalf of club activities. Mr. Hall was one of the founders of the club in 1929, and served for two years as its president, being succeeded last month by Joseph Marshall.

Injured Should Demand Bond

TOPEKA, KAN., Nov. 11.—W. E. Davis, Jr., claim adjuster for the Kansas department, has sent out a public warning to Kansans that if they are injured or their property damaged by a car from another state, they should take steps to prevent the car being taken out of Kansas until a bond had been furnished by the owner.

New Finance Company Licensed

The Dealers Finance Insurance Company of Los Angeles, recently organized with capital of \$100,000 for writing credit insurance on automobiles only, has been licensed to operate in California. Bert Bane is president, Arthur Miller, secretary.

The Phoenix Indemnity has been licensed in Minnesota.

Street Outlines Lessons of Today

(CONTINUED FROM PAGE 3)

with the situation whereby, for instance, the man responsible for final results disclaims responsibility for the activities of a general agent in Oklahoma or a manager in Chicago who is in contravention of regional organization rules.

"This association," he said, "could hardly be conducted along dictatorial lines, but will doubtless be a distinct stabilizing influence without imitating Mussolini."

Mr. Street called upon the agents to assume greater responsibility, especially as to underwriting, declaring that the happy-go-lucky days following the war when the theory prevailed that the agent should get the business and the company do the underwriting, are over. He expressed his allegiance to the principle of organization. Organization, he said, does not stifle individuality. Real individuality in insurance should be exercised inside the organization.

Mr. Street began by stating that the meeting is being held in a time of stress and strain. Values and insurance carried are reduced. Term business is being renewed for one year and many policies are not being renewed at all. Collections are difficult and when money is collected, there is no certainty that the bank in which it is deposited will remain open. Many persons are looking for cheap insurance, even of the mail order variety. The concentration of business in the hands of large city brokers is increasing. These operators, Mr. Street declared, are in direct competition with the agent and with the agency system. He said they are too often permitted to use the facilities of companies locally represented on more favorable terms than are accorded the local agent.

Hold Heads High

"Yet," he concluded, "we probably hold high our heads in the belief that in time we can meet and conquer any situation."

Companies are deeply affected by the decline in security values, but Mr. Street said there is consolation because these conditions will help reduce excessive competition. More orderly conduct of the business will result. This, he said, may be one of the compensations of adversity.

Mr. Street said that while there is something of a public understanding of the functions of life insurance, there is the greatest misunderstanding as to fire insurance. The common conception of an insurance company is a wealthy monopoly taking in premiums, charging exorbitant rates, paying fancy dividends and that profits are inescapable.

This misconception together with the stock market craze made it possible for promoters to get any amount for investment in stocks of new fire insurance companies, Mr. Street pointed out, at a time when capital already in use was doing only one-half the work it could and should do.

No Legitimate Place

"There was no legitimate place in the field for newcomers in 1929 or in the decade prior to that time," Mr. Street said, "and with the decreased values, improved construction and protection, lower rates, it must be evident to the most obtuse that they have only added to an over supply of carrying capacity."

This subdivision of business caused increased expenses, disturbed agency relations and "postponed the day when the public can be brought to realize that in regulated concentration rather than in open competition lies the way to lower cost and rate."

Newcomers, in order to make an impression, spread the "lure of higher commissions." There were defections from the old companies, Mr. Street said, but on the whole agents were loyal.

The business today, Mr. Street said, will not stand extra expense. The cost must come down and the only way in

which that can come down is to have fewer companies and better ones, fewer agents and the best of them, he said. It was here that he recommended a flat rate of compensation with a contingent.

Mr. Street said that a great many companies today are not supplying a real need. There is no reason to believe that from 50 to 100 companies could not carry the entire load. That is an ideal condition, which will be brought about by economic pressure. When the companies are culled out, he said, insurance will rise in public estimation.

Approves Conference Idea

Mr. Street expressed sympathy with the principle of cooperation between company and agency organizations. In former years, he said, agents organizations were limited to local boards concerned with purely local activities. National and state associations were not taken seriously until after years they were found to be conducted along lines which would justify the companies in believing that they were inspired by the same feeling as the companies and had in view the same ultimate goal.

The character of leadership in the agents' organizations in recent years, according to Mr. Street, indicates that the meetings of the National association can be as fruitful of good as controlling

company organizations. In conference, Mr. Street pointed out, that neither side can have everything it desires. "But I freely acknowledge," he said, "a better understanding, a better appreciation of our mutual problems and of the undoubted power for good we can jointly exercise than was the case a few years ago."

As to a definite agency contract, Mr. Street said that the confusion as to status of expirations in the case of bankruptcy must be made impossible of recurrence through a definite contract that no court can ignore, the provisions of which must be agreed on in advance by representative agents and so drawn as to leave agents and the company free to deal with each other in protection of mutual interests if misfortune comes to the agent through no fault of his own. "No well posted agent is going to object to the trust fund feature of the proposed contract and I solicit for it your earnest support."

The Insurance Executives Association, Mr. Street said, will do much to add to the dignity of the business in the public eye; will promote the observance of good faith in the operation of this highly competitive business by example, "yet it is hardly in order to expect it will kill all the ills to which the business has fallen heir, now or hereafter, for such we will

always have until the millenium ushers in the day of universal righteousness."

As to underwriting, Mr. Street said in these trying times more conscientiousness, greater disregard of the commission dollar, more of a realization that it is only the agent whose business shows a profit so far as is within his control, who enjoys the confidence and regard of the fraternity, are needed. The agent, he said, knows his clients and his towns as the company can never do. As partners of the companies, the agents must share in the responsibility for the results that accrue from the joint effort. Neither side can do it all.

Calhoun on Strenuous Trip

President W. B. Calhoun of the National Association of Insurance Agents is on the wing a great deal of the time. Last week he was the guest of honor at the annual meeting of the Illinois Association of Insurance Agents. On Tuesday of this week he spoke before the South Dakota association at its annual meeting at Aberdeen. He rushed back to Milwaukee to be present Wednesday evening at a banquet of the Milwaukee Board in his honor. He left immediately to go to Knoxville, Tenn., where he will arrive Friday morning to address the Tennessee association.

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Darby Day Is Indicted by Grand Jury in Missouri

(CONTINUED FROM PAGE 41)

which was highly inflated and gave them access to real estate mortgages of a total of more than \$2,000,000. Then, according to the government, title juggling was resorted to, Missouri land was split up into small sections and deeded to dummies. Investigators for the government claimed that these straw men had been secured from a Chicago employment agency to sign deeds for \$1 each.

The charge against Messrs. Day and McCutchan hinges on allegations that they represented that the stock of the Chicago Fidelity & Casualty which they had organized with \$1,000,000 capital and \$1,500,000 surplus was worth its full face value in the negotiations for the lumber land. The owners were to receive 10,122 shares of the insurance company stock in payment for their land holdings. The accused are said to have represented that the capital and surplus of the Chicago F. & C. were paid up in cash or securities of sound value.

Mr. McCutchan was prominent in the affairs of the defunct Interstate Casualty which crashed a number of years ago after he and his associates had obtained control and moved its headquarters from Birmingham, Ala., to St. Louis. Its affairs were interwoven with those of the Citizens Trust Company of Gorin, Mo., which closed its doors in 1925.

McCutchan Was Cleared

Mr. McCutchan was a director of the bank and later was indicted on charge of receiving deposits when he knew the financial institution to be insolvent. However he was cleared later in the Marion county circuit court.

During his business career Mr. McCutchan has been connected more or less officially with various other insurance companies. He is said to know more about Missouri lands than any other man in the state and during the hearings in connection with the receivership of the Interstate Casualty testified on the witness stand for hours about various pieces of farm lands, their character, acreage and incumbrances, etc., without hardly ever referring to a note. It was reported in insurance circles that after the Interstate crash Mr. McCutchan had personally reimbursed many of the persons who had lost through the failure of the insurance company.

McCutchan Gives Version

Mr. McCutchan in an interview said: "We figured we could use the mortgages as an asset for the insurance company, knowing that many companies had large holdings of the same kind and in the same location that they were being permitted to carry among their assets. Second, we felt that we could colonize those lands and take a great many people who were out of jobs, who had ex-

perience in farming and who could go back to the farm if they had financial help.

"Before we undertook to do anything, however, we had a conference with L. H. Lowe, director of trade and commerce of Illinois; A. L. Harty, former insurance commissioner of Missouri, who represented the Himmelburgers; W. P. Anderson and J. C. Anderson, Charles Keelan, assistant director of trade and commerce for Illinois, and Judge Rufus M. Potts, former insurance commissioner of Illinois. At this meeting every phase of these mortgages was discussed. Mr. Lowe was told the nature of the lands, that these mortgages were made up and signed by straw men, that there was no responsibility behind any of the men, and that the only security was the land itself. At no time did any one try to deceive the insurance department.

Looked Over the Lands

"Mr. Lowe at this meeting asked Mr. Keelan to go down to southeast Missouri and look over these lands, which he did, and approved them. These lands which are characterized as worthless were appraised by Mr. Frank Shelton, president of the Bank of Kennett, and Lee Phillips, an appraiser of the Joint Stock Land Bank of St. Louis and they told us the lands were worth double the amount of the mortgages.

"Nobody could defraud Mr. Anderson. He is a wide-awake business man and to say that I could deceive him in a business deal, even if I attempted to do so, is ridiculous. I think he will testify that these lands were worth the amount of the mortgages when they were executed."

When the Chicago Fidelity & Cas-

ualty was put in the hands of a receiver it had been licensed by the Illinois department and certified to as having \$1,000,000 capital and \$1,500,000 net surplus. Yet the official liquidator in Illinois sold the entire junk for \$18,000.

Mark Martin, president St. Louis Joint Stock Land Bank, this week denied that Lee Phillips is now or ever was connected with that bank.

Surety Denied Priority on State Funds in Failed Bank

(CONTINUED FROM PAGE 41)

Following the revolutionary war, when the independence of the American colonies was recognized, the above mentioned statute was continued in the laws of the state, the prerogatives of the sovereign being replaced by those of the people. None of the other original 13 colonies saw fit to follow the example of New York in such connection, and hence the states must share with general depositors in the loss of funds had in defunct financial institutions.

Worst Is Over

While losses under depository bond covers have been exceptionally heavy in the past two years, the prevailing feeling is that the worst is over and that from now on bank failures will not be nearly so numerous or serious.

One ray of light for the hard hit surety offices is the belief that receivers for many banks that were forced to close their doors in 1930, will begin paying liquidation dividends within the next six weeks.

CASUALTY ASSOCIATION NEWS

Aviation Chicago Club Topic

D. Murray Stewart, Manager for Barber & Baldwin, Reviews Casualty Angles of Aviation Coverage

Aviation insurance was the topic discussed at the November meeting of the Casualty Field Club of Chicago this week, the speaker being D. Murray Stewart, Chicago manager for Barber & Baldwin, aviation underwriters. Mr. Stewart dealt with the casualty angles of aviation insurance, the lines being public liability, passenger liability and property damage. He said passenger liability rates are still guess work for the reason that there has been no final decision on whether an air transport company has the same liability as other common carriers or not. If the common carrier liability is laid down, as seems likely, rates will have to be even higher. If passengers are held to assume the risk rates may be lower. There are many suits pending in which this question is involved.

On public liability the landing and takeoff hazards are the principal ones, as well as on property damage. Besides the insurance on planes, airport liability is greatly needed and not much carried. Many municipalities feel that their airports are free from claims, but cities have often been held liable on public wharfs and docks and there is little doubt that the same liability will attach to airports.

Urge Interest in Surety

DES MOINES, Nov. 11.—Elmer H. Warner, Des Moines branch manager Union Indemnity, was the principal speaker at the Nov. 9 luncheon meeting of the Casualty & Surety Club of Des Moines, taking as his subject, "The Changing Order Surety-Wise." He urged casualty men to learn the surety end of the business just as well as most of them now know the casualty end.

Discussing fiduciary and deposit bond underwriting, Mr. Warner said a bank's

own building and real estate, together with all other real estate, should not exceed 25 percent of its capital and surplus, to stay within the bounds of sound underwriting. A bank should have at least 40 percent of its deposits in a secondary reserve of high grade bonds, and he cautioned that during the present unsettled bond market, the underwriter should carefully analyze a bank's entire list of securities.

R. B. Harmon and C. M. Reid of the Davis Agency, Beatrice, Neb., were guests at the meeting, introduced by J. Dillard Hall, Iowa-Nebraska manager for the U. S. F. & G.

International Reinsurance Gains

The International Reinsurance more than doubled its gross income the first nine months of 1931, the total being \$9,584,000 against \$4,670,000 last year. Gross premiums totaled \$9,112,000, as against \$4,324,000. Excess of income over disbursements before dividends was \$3,098,000, against \$1,661,000. Dividends paid were \$150,000, there being no change in this item in comparison with the previous year. Assets increased from \$2,741,000 to \$11,885,426, after posting reserve of \$75,000 for current dividends and writing down book value to market value on bonds and stocks.

Duffin Returns to Insurance

James R. Duffin of Louisville, former president of the Inter-Southern Life, becomes vice-president and general manager of the Equitable Life & Casualty of that city. The company will extend its lines and enter new states. It is now licensed in Kentucky, West Virginia, Indiana and Colorado. It has capital of \$128,000 and its assets are more than \$200,000. It writes health, accident and life. Mr. Duffin is an attorney and retired from the Inter-Southern in 1926.

The First American Life & Accident, Fort Smith, Ark., has moved its home office to Omaha, Neb., and is reported to be endeavoring to reinsure its business and retire from the field. Its offices are now at 822 First National Bank building, Omaha.

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6. Owners' Protective (Contingent) Public Liability.
7. Theatre Public Liability.
8. Owners', Landlords' and Tenants' Public Liability.
9. Residence and Farm Public Liability.
10. Teams' Public Liability.
11. Elevator Public Liability.
12. Accident and Health.
Part A—Accident and Health Policies, Selection of Risks, Applications, Prospects.
Part B—Salesmanship.
13. Workmen's Compensation.
14. Plate Glass.
15. Messenger and Office (Store) Robbery.
16. Paymaster Robbery.
17. Bank Burglary and Robbery.
18. Bankers' Blanket Bonds.
19. Mercantile Safe Burglary.
20. Open Stock Burglary.
21. Residence Burglary & Theft —Personal Hold-up.
22. Boiler, Including U. & O.
23. Engine & Fly Wheel, Including U. & O.
24. Electrical Machinery, Including U. & O.
25. Bonds—Fidelity and Surety.
Part A—Introduction.
Part B—Fidelity Bonds.
Part C—Contract Bonds.
Part D—Fiduciary Bonds.
Part E—Court Bonds.
Part F—Public Official Bonds.
Part G—Depository Bonds.
Part H—License and Permit Bonds.
Part I—Miscellaneous Bonds.

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P. L. GEDNEY, Minneapolis, Minn.

Our men are showing a great deal of interest in this course and I feel that already they have derived a great deal of benefit from it.

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